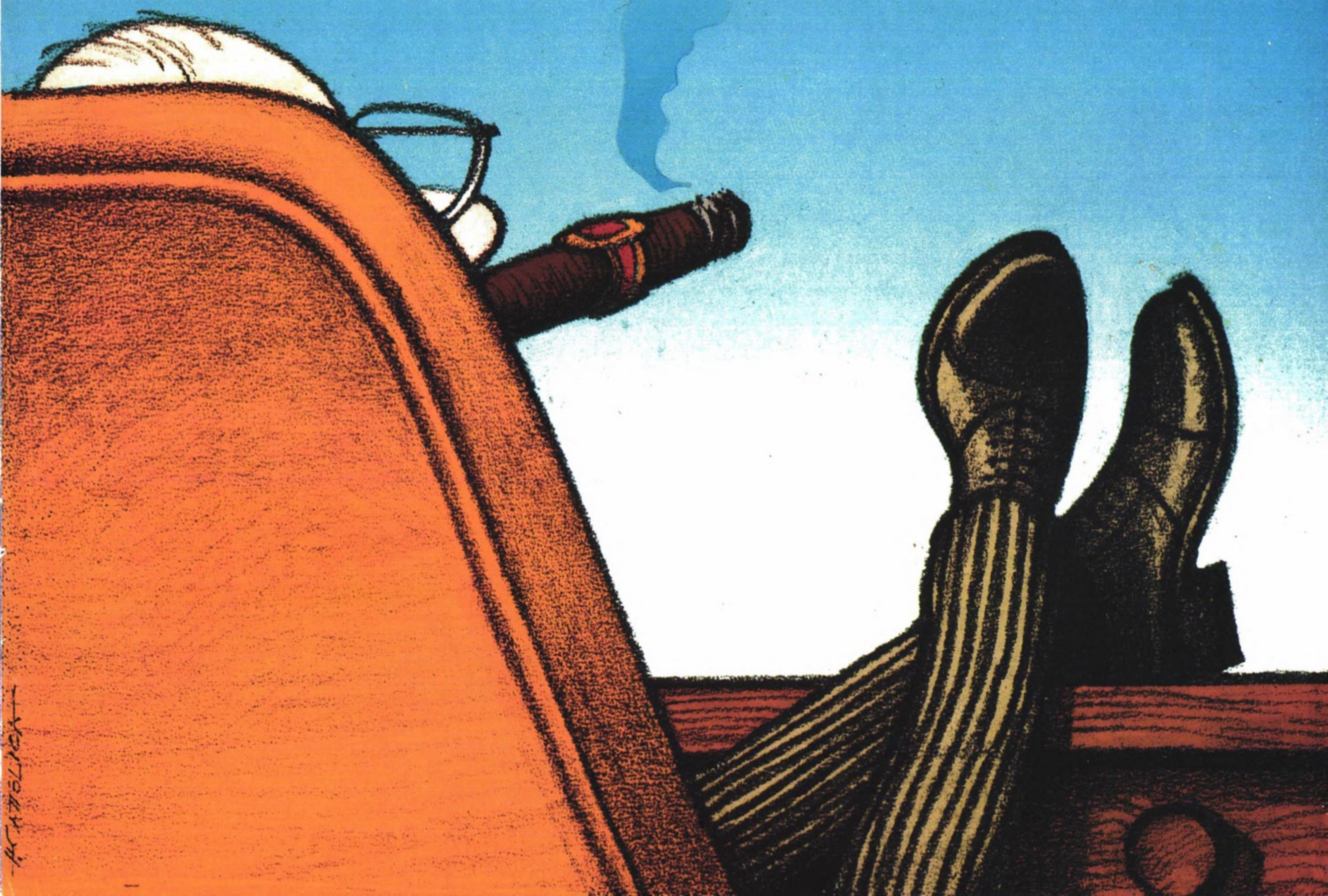


No. 214 DECEMBER 1990 MONTHLY U.K. £1.50
AUS \$3.75, AOTEAROA £3.60, U.S. & CAN. \$3.00

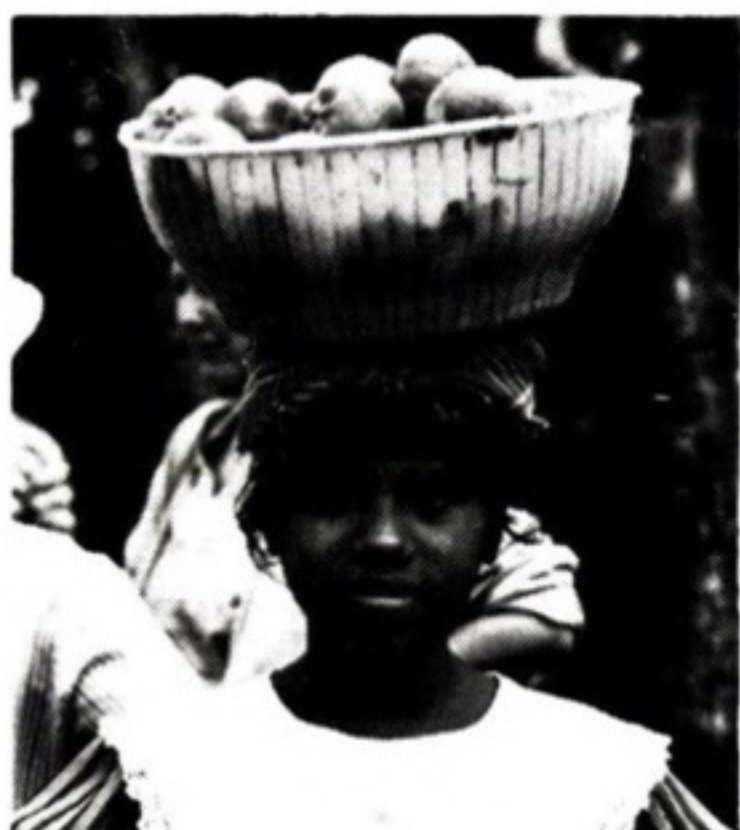


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The **NI** magazine is edited, produced and sold by New Internationalist Publications Ltd which is co-operatively run by:-

Vanessa Baird, Chris Brazier, Wayne Ellwood, Alan Hughes, Guy Montgomery, Gill Moore, Clive Offley, David Ransom, James Rowland, Sue Shaw, Kate Stott, Richard Swift, Dexter Tiranti, Troth Wells.

Editorial responsibility rests with the co-operative, whose purpose is to communicate development ideals through print and film to the widest possible audience.

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UK: 120-126 Lavender Ave, Mitcham, Surrey CR4 3HP. Tel. (081) 685 0372.

Individuals £18.40 p.a.; £5.40 qtlly.

Institutions £35 p.a.

Canada: 1057 McNicoll Ave, Suite 108, Scarborough, Ontario M1W 3W6. Tel. (416) 496 8413.

Individuals 1 yr - \$30; 2 yrs - \$52; 3 yrs - \$74.

Overseas (by air) - \$45 p.a. Institutions \$50 p.a.

United States: PO Box 1143, Lewiston, NY 14092. Tel. (416) 496 8413.

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Individuals \$37 Institutions \$43 (includes GST).

Rest of the World: 120 - 126 Lavender Ave, Mitcham, Surrey CR4 3HP. Tel. (081) 685 0372.

Individuals £22; Institutions £40. Please pay in sterling by UK Cheque, Eurocheque, Visa, Mastercard or Bankers Draft. Despatch by air only.

EDITORIAL AND ADVERTISING OFFICES

UK: 55 Rectory Road, Oxford OX4 1BW. Tel. (0865) 728181. Fax. (0865) 793152.

Canada: 1011 Bloor Street West, Toronto, Ontario M6H 1M1. Tel. (416) 923 9857.

Australia: PO Box 82, Fitzroy, Victoria 3065. Tel. (03) 419 7111.

MAILINGS

Occasionally we agree to exchange our subscribers' names with organizations whose aims are broadly in line with our own. If you do not wish to receive their material please write to your subscription office.

Cover and UK inside pages printed by Pindar Graphics, Scarborough, North Yorkshire.

North American inside pages printed in Canada by Webcom, Scarborough, Ontario.

The **NI** is distributed to the UK news trade by AGB Impress, 22-26 Farringdon Lane, London EC1R 3AU. Tel. (071) 253 3456. Fax. (071) 608 0726.

The **NI** in North America (USPS 329-770) is published monthly by New Internationalist Publications, 1011 Bloor Street West, Toronto, Ontario, Canada M6H 1M1 with assistance from the Canadian International Development Agency. US 2nd class postage paid at Lewiston, NY. US Post-master send address changes to: The **NI**, P O Box 1143, Lewiston, NY 14092. US Office of Publication, Lewiston, NY 14092. Registered with Alternative Press Index.

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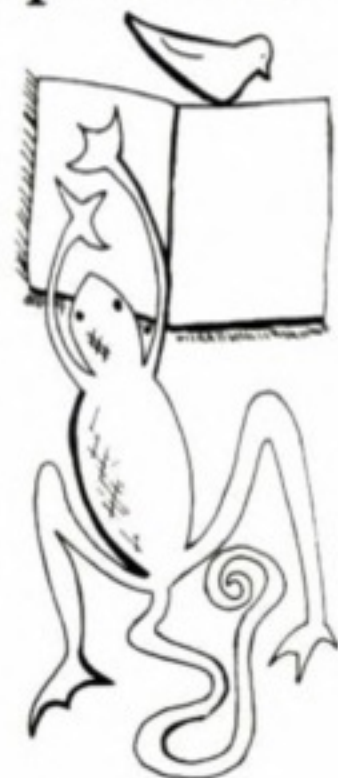
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UPDATE ON CAMBODIA

● REMEMBER THIS?



A year ago the NI appealed to readers to ask our Government to end all forms of support for the Khmer Rouge. Since then the United Nations has given its unanimous approval to a much-heralded 'peace plan' put together by Britain, China, France, the USA and USSR. But in Cambodia the civil war still goes on, the number of mine victims has doubled in the last year, development aid is still denied and the suffering continues.

The UN plan does not call for an immediate ceasefire. It is a 'peace' plan which allows fighting to continue. This is absolutely intolerable and merely plays into the hands of the Khmer Rouge.

The plan also allows two mass-murderers to sit on the interim 'Supreme National Council' created by the UN to embody Cambodia's sovereignty and unity. **Khieu Samphan** (Head of State during the Killing

Fields) and **Son Sen** (Pol Pot's Minister of Defence in charge of the torture prisons), now sit on the country's main governing body. **They should instead be put on trial for genocide.**

WHAT YOU CAN DO

Write now to the Prime Minister, the Foreign Secretary, and your MP. (see addresses opposite). Ask them why the Khmer Rouge leaders responsible for genocide are not being put on trial at the International Court of Justice in The Hague. Urge them to press the UN Security Council to impose an immediate ceasefire, and ensure that vital UN development aid starts going to Cambodia NOW.

The Prime Minister,
The Rt. Hon. Margaret Thatcher MP
10 Downing Street,
London SW1 2AA.

The Foreign Secretary,
The Rt. Hon. Douglas Hurd MP,
Foreign and Commonwealth
Office,
King Charles Street, London
SW1.

Remember to copy your letter to your MP and the Leader of the Opposition, the Rt. Hon. Neil Kinnock MP., House of Commons, London SW1A 0AA.



THERE IS NO TIME TO LOSE

Please write now! Your letter CAN make a difference.

It is only public concern which has forced the international community even to start working to find a solution for Cambodia.
BUT THE UN PLAN STILL LEAVES MUCH TO BE DONE!

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OK, I admit it. I don't like banks. I don't like the way they make you queue up for the privilege of putting *your* money in *their* hands. I don't like the way the tellers gossip over coffee while my lunch-hour ticks away (can someone tell me why banks open from 10 am to 3 pm when the rest of us work from 9 to 5?). And I don't like the fact that they extract ridiculous sums for the smallest transaction (it wouldn't surprise me if they soon started to charge admission).

Oh, and there's one more thing. Walking into a bank always makes me feel nervous, even vaguely guilty. I feel the same about customs officers at the airport. I think it has something to do with the trumped-up formality of petty officials in positions of power.

It must run in the family, because my grandfather felt the same way. Mind you he had good reason. Having struggled through the 'Great Depression' of the 1930s he was deeply suspicious of what he used to call 'the Bay Street boys' (Toronto's Bay Street is the Canadian

equivalent of Wall Street in New York or London's financial district, the City).

He didn't trust banks and consequently he never used them. For years after he died my grandmother would report finding wads of \$10 notes stuck behind the mantelpiece or crammed into an old pickle jar. He also disliked banks because they made money, not from productive work, but from other people's money.

Economists call this group of people the 'finance capital' sector. As I discovered producing this issue of **NI** the phantom realm of money manipulation has become more bizarre – and more unreal – since my grandfather's day. Millions of dollars in vagabond capital now flits instantaneously around the world with a few strokes on a computer keyboard. Competing countries feverishly jostle to raise interest rates, anxiously hoping to lure a few more dollars, Deutsch marks or yen in their direction.

For most of us the world of high finance is as unfamiliar as it is daunting – a secretive palace of privilege far removed from the mundane worries of everyday life. Dealing with the monthly mortgage, handling the car loan and worrying about pension payments is headache enough. Wading through the arcane language of the newspaper business pages is not most people's idea of a good time.

It's not mine either. But I must confess I don't breeze past the financial news with the disdain I used to before starting to research this issue on the World Bank. Economics is still a territory for the initiated. A lot of it is smoke-and-mirrors; the language is often needlessly obscure and painfully detailed. But there is no denying that spiralling interest rates and the silent search for profit now influences living standards from Melbourne to Montevideo. I'm more convinced than ever that the bankers and their government functionaries are responsible for much of the mess in which we find ourselves.

The World Bank, with its comrade-in-arms the International Monetary Fund, lives in a rarefied atmosphere, far removed from the eyes of a prying public. I hope this issue helps to take the lid off. Maybe (and here I'm sure my grandfather, even at his most contrary, would agree) it's time for us to bring the bankers down to earth.

Wayne Ellwood
for the New Internationalist Co-operative

CONTENTS

NI No. 214

THIS MONTH'S THEME

DECEMBER 1990

THE WORLD BANK



Pinstripes and poverty 4
Wayne Ellwood evaluates the World Bank's efforts to relieve Third World poverty.



Me-first madness 8
A behind-the-scenes glimpse into the world's largest development agency. By Davison Budhoo.

The bottom line 10
A new World Bank recruit learns on the job. Cartoon drawn by Jim Needle.



Greenspeak 12
The Bank says it has seen the Green light. Bruce Rich examines the evidence.

Damage control 15
India's Sardar Sarovar Dam project is ruining thousands of lives. Satinath Surangi interviews some of those affected.

THE WORLD BANK – THE FACTS 16

You can't eat flowers 18
Bob Carty on the demise of Costa Rica's small farmers.

Higglers, hagglers and empty stomachs 20

World Bank adjustment policies put women and children last. A report from Jamaica by Joan Ross Frankson.

Simply ... Voodoo economics 22



Reaching for riches 24
Poland's flirtation with unfettered capitalism may end in tears, writes Daniel Singer.

Letters 2

Letter from La Paz 3

Update 26

Endpiece: by Amorey Gethin 29

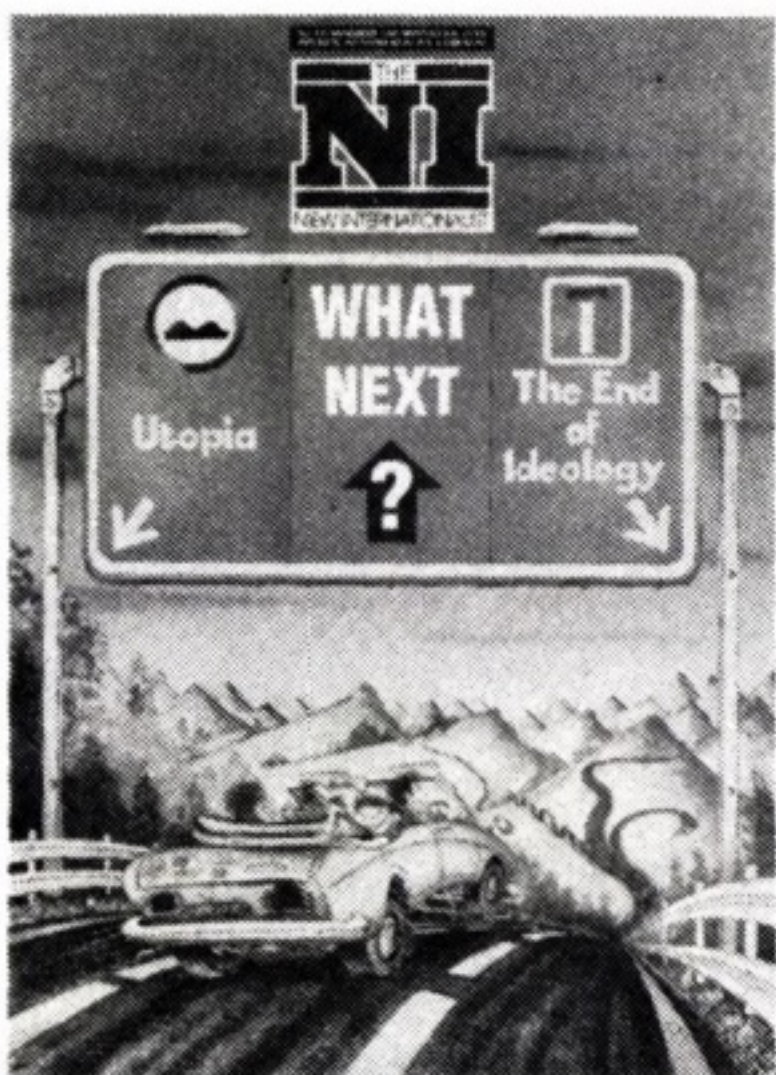
Reviews: plus James Joyce classic 30

Country profile: Sri Lanka 32

Front cover illustration: Hector Cattolica

Socialism lives

I think reports of the death of socialism are premature (*What Next?* NI 213). It is still by far the most influential political idea around, even in Europe, where an admittedly tame form of social democra-



cy could shortly be in the majority. My guess is that capitalism will miss the Cold War more than socialism. Socialism will continue to provide the best means of both understanding and tackling the issues of world poverty and environmental destruction, free at last from the need to take sides in the Cold War. People like Fred will have to get their hands dirty and start organizing.

Sandra Littlemore
Seattle, US

Shaping sex

In *Why men hate women* (NI 212) Celia Kitzinger observes that sex with women can reinvolve in men the helpless passion of infancy. In heterosexual intercourse men risk discovering in women an unsettling power which contradicts and undermines their own more obvious social, political and physical power.

However boys are not educated in manhood by their mothers but by the images, structures and bonding rituals of male culture. Assumed power over women's sexuality is a consequence of masculine privilege. There are men who rape because they feel this power is denied them ('inadequates') and those who rape to fulfil such power ('sadists').

NI welcomes your letters. But please keep them short. They may be edited for purposes of space or clarity. Include a home telephone number if possible and send your letters to the nearest editorial office. The address is inside the front cover.

Society shapes sex, not sex society. Men must change their culture.

Mike Belbin
London, UK

Self control

Though I have some sympathy with Gillian Sathanandan's point of view (*Letters* NI 212) please don't blame the natural childbirth movement for trying to make women feel guilty. Pain is not good in itself though it has its uses. Epidural anaesthesia is not without its risks for both mother and baby, and for this reason the Association for Improvements in the Maternity Services (AIMS) has ceased to lobby for epidurals on demand.

Surely the natural childbirth movement is about empowering women, not about guilt?

Anna Georgina Chitty
Pwllheli, Wales, UK

Social climbers

I sympathize with MacDonald Daly's disgust at the cleaning-up preparations for a royal visit to a colliery (*Classic* NI 211). What is even more nauseating is the spectacle of local bigwigs who would normally never go near the place being given the attention of Royalty, and edging out the people who live or work there.

Bernard Misrahi
London, UK

Afghan reply

I was disappointed with your article *A tale of two cities* (NI 211) in which Behrouz Afagh attacked Islamic values and the Afghan mujahedin movement without any real evidence. He misunderstands the Afghan people's struggle. The West, especially the US, has agreed with Moscow to hold the puppet communist regime in power, despite the clear opposition of the people of Afghanistan. Undoubtedly Western policy-makers do not want an Islamic and independent Afghan Government which will be free from foreign influences, which is why they have launched a propaganda war against the Afghan Mujahedin Government. Where is the respect for belief, human rights and movements of liberation from all evil influences? Let's be a little bit broadminded by not accusing others of being narrow-minded.

Lami Kaya
Stoke, UK

Killing contradiction

I was pleased to see you reported our problem with the Muslim Institute whose support for Salman Rushdie's murder is causing us difficulty (*Briefly* NI 211). But I was puzzled by the headline 'Pacifist intolerance' which is of course open to interpretation. I hope NI is not suggesting that to protest at calls for murder is intolerant since this

would be a novel addition to the already nebulous meaning of intolerance.

I appreciate much of the material in the NI and particularly its attempts at demystification but I cannot help noticing a blind spot when it comes to killing people for 'freedom' and 'liberation', which to pacifists appears as a total contradiction. Your frequent excellent explanations of the wider social forces which make up the world sit rather uncomfortably with the simplistic view that killing a few people is going to solve anything and the underlying implication that freedom and liberation are only some people's prerogative.

Jan Melichar,
Peace Pledge Union
London, UK

Breaking barriers

Congratulations on your September Issue *East Meets West/ North Forgets South* (NI 211). It is a sobering reminder that the world's divisions do not come to an end with the removal of the Berlin Wall. It might have been appropriate to mention that another physical wall remains, dividing a Third World country more impenetrably than the Berlin Wall has ever done. Five metres high and ten metres thick at its base, the wall was built by the US across the entire Korean peninsula within the southern part of the Demilitarized Zone in the late 1970s and early 1980s. It is reported to be the largest reinforced concrete structure in the world. If our souvenir shops run out of bits of Berlin Wall maybe they can start chipping away at the Korean Wall.

Erich Weingartner
Callander, Canada

Fundamental omissions

I was astonished that nowhere in your entire issue on fundamentalism (NI 210) did you even mention the word Zionism. Even in your summary of current fundamentalisms you mention fringe groups like the Moonies and Ron Hubbard's



Scientists, but fail to observe that one of the most powerful destabilising influences in the Middle East is attributable to Zionism, a fundamentalist system of values akin to South Africa's apartheid.

There was also no mention of apartheid. In the last white election in this country, 700,000 whites voted for the Conservative party, which espouses Verwoerdian apartheid. These people aren't just a group of red-necks: they are a very powerful constituency, passionate racists who have created their culture and tailored their scriptures to accord with their views.

Richard Lyster
Durban, South Africa

Zimbabwe regression

Your profile on Zimbabwe needs some updating (*Country Profile* NI 209). The office of Prime Minister was eliminated in 1988. By strengthening the powers of the president, the largely titular office has become that of an executive president. It is now President Mugabe. There have also been recent policy changes. The Mugabe Government has recently accepted the priorities of the IMF and the World Bank when it comes to budget allocations. In real terms overall earnings have declined due to inflation and the gradual removal of food subsidies, making it difficult to pay for basic health needs.

The Government has not adjusted its level of qualification for free health care. Similarly the Government plans to introduce 'manageable' fees at its (once free) primary schools. It appears that the post-independence advances are rapidly being eroded under international pressure.

Sheila M Nicholas
Guelph, Canada

Cultural blinkers

Despite its pretensions to the contrary, NI remains as parochial in its outlook as any nineteenth century Colonial Secretary. You are well-disposed of course but never consider that perhaps we don't want to become Westerners, that our ways of

doing things might be better than yours, at least for us, or that our priorities and value systems might be different but equally valid. The immediate case in point is *The human factor* article in NI 211 with its prejudice against the one-party state. How about an article on the advantages of the one-party state for Africa? It has lots of them. When the NI prints an article in which someone has learned something from the Third World, then it will be really international. Until then, it's a scam.

Mtumiki Njira
Limbe, Malawi



The views expressed on the letters pages are not necessarily those of the NI.

LETTER FROM LA PAZ

Shaking the sorrows away

Susanna Rance explains how the living say their final goodbye to the dead in Bolivia.

It's been a year, full circle, since Mama died. Time for the 'Soul's Mass', a ritual re-encounter of relatives and friends with each other and with the deceased. Time for a fresh exorcism of grief, as sorrows are physically shaken away with each garment of mourning dress and the bereaved don bright clothes to dance and drink themselves into release from pain.

Spanish and Indian blood, Catholic and Aymara rites merge and give birth to a *mestizo* ceremony in the back streets of La Paz. Hierarchy dictates that the dominant religion's god should have first say. Black suits, wide skirts, shawls and bowler hats file respectfully into the whitewashed church and sit, Aymara style, women in the left-hand pews, men on the right.

Kneeling on the hard pew under a bejewelled Virgin's gaze, I clutch Julia's plump arm as she shakes and sobs, pulled back to the sharp edge of her mother's loss. 'HELL!' warns the grey-haired priest, his eyes narrowing as he focuses on this unseemly spectacle of grief. 'That's where unbelievers go. Those of little faith. Those who think that God is BAD. Who cry for the dead, when they should be GLAD that their loved ones have been taken to God's side!' The rest of the family shoot disapproving looks at Julia for bringing Aymara wailing into the house of the Spanish god.

Eternal life is left inside the church, for outside again, the mourners are on the Pachamama's soil. The Earth Mother swallows up her children and their end is final. 'She's gone, she'll never come back', go the Aymara condolences, as each guest embraces the family members. 'No more sorrows. You just have to accept it. Mama is dead, what can we do?' But with this stoical belief goes the recognition that grief must be expressed and ritually shaken away. A cycle of mourning and joy is imperative, life and colour must return.

As we enter the dance hall, Mama's table makes her presence tangible among us. Her skirt, woven shawl and best hat sit stolidly under a faded photo and the plaque with her name. Coca leaves, flowers, fruit

and bread have been placed as offerings to welcome her to the celebration. A year after the first farewell at the wake, we have another chance to say goodbye to Mama, to ask for her forgiveness, to feel the roughness of her shawl against our faces.

Suddenly the table is cleared and all its contents are bundled into the shawl. Amidst hushed whispers, male relatives abruptly pick up the table and carry it out, taking with them the illusion of Mama's fleeting presence among us. The spot is swept, there's nothing left. Mama has really gone and you can see the gap which marks her absence, her disappearance from our lives.

Grief must subside. A mood of excitement takes over as Mama's relatives start piling into a tiny room to change their clothing. I wait for some of them to come out but no-one does. I'm pushed in to join them and find myself in a musty, windowless box four foot by six, where 19 people are struggling to remove their mourning gear and dress in bright colours.

Papa is the main object of attention. He's still wearing his black shirt and another one has to be improvised. He glows with pride as his sons do up the buttons on the scarlet shirt. His daughter ruffles his scant white hair: 'Now you go out there and get yourself a nice young girlfriend'. Teasing and whistles greet each show of new garb.

Finally each black garment is shaken to release the woes of a year's mourning. All the clothes are bundled into a black bag, which is doused with alcohol from each glass in a ritual blessing. 'No more sorrows! Let there be joy!' is the toast. Firecrackers burst in the yard outside and its time for us to emerge, a motley crowd in rainbow colours, pushing each other and giggling like so many children.

The band starts to play and the dance begins, stiffly at first and then more wildly as alcohol loosens our limbs and spirits. Papa jumps around like a colt, to the encouragement of whoops and cries. The formidable aunts shuffle back and forth in their massive skirts, children weave in and out of the rows of dancers. Julia is still sobbing as she sways and turns but the family push her to keep dancing. 'Today I'm here, tomorrow I'll be gone', goes the lively popular rhythm, as all are swept into an affirmation of life flourishing in the midst of pain and deprivation.

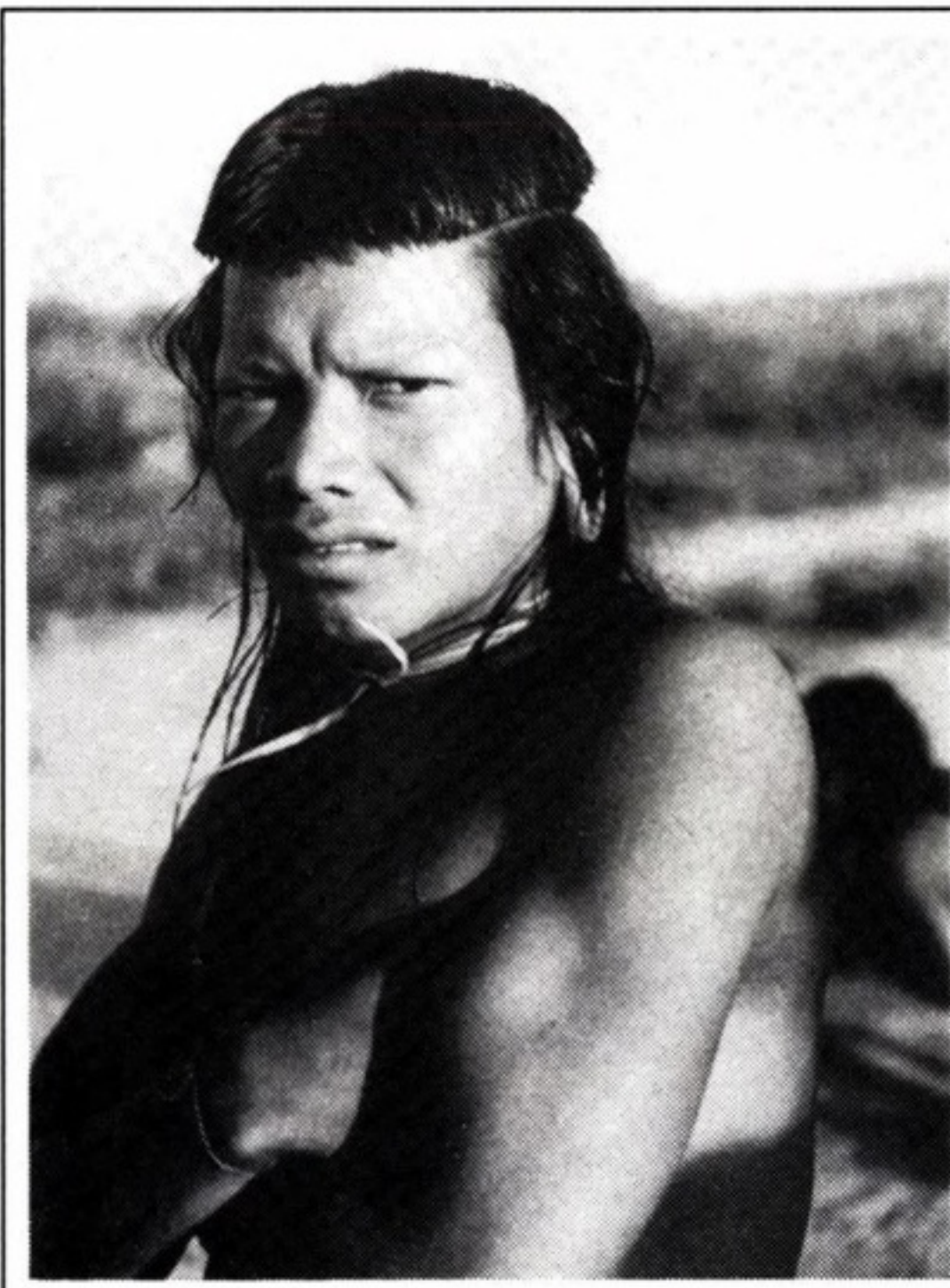
'That's enough, Julia, no more grieving,' insists a neighbour as we recover our breath between dances. 'Cheer up, think how happy Mama must be to see everyone here enjoying themselves in her name.' 'And she's here, isn't she?' whispers Julia. We all look towards the door, out through the stone courtyard. 'Yes, she's here...' 'And her heart must be in flower,' says Julia, wiping her eyes and going back to the dance.

Susanna Rance lives and works in Bolivia.



The World Bank bills itself as the champion in the fight against global poverty. Wayne Ellwood challenges the rhetoric.

PINSTripES AND POVERTY INSIDE THE WORLD BANK



WASHINGTON'S Sheraton Hotel is inconspicuously perched atop a tastefully landscaped knoll near the city centre, a restrained pile of red brick set back from the bustle of Connecticut Avenue. Normally it might have escaped my glance. But today the place is a hive of activity. Merchant bankers, assorted government officials and a bevy of financial technocrats have settled in for a week of heavy drinking, glad-handing and strategizing. All in the aid of world poverty.

The Sheraton is the site of this year's World Bank-IMF meetings, a yearly gathering of the world's most powerful men. As I emerge into the sunshine from the deep gloom of the closest Metro station it is hard to miss the squadron of black stretch-limos tailgating each other around the hotel's circular drive.

Swarms of middle-aged men (my peers) are striding purposefully, attaché cases in hand, towards the Sheraton's revolving front-door entrance. All have photo-IDs hanging prominently on loops of chain around their necks. The brotherhood of the necklace.

Inside the halls are packed with close-shaven faces in pin-striped suits doing deals. There are a few people in national costume but scarcely any women. A knot of French-speaking Africans, briefcases open, have installed themselves in comfortable chairs in the lobby, puffing vigorously on Gitanes, calculators at the ready. An air of self-satisfied camaraderie seems to infuse the place. Thick, glossy magazines like *Asian Finance* and *Euromoney* litter the coffee tables. Serious people doing important business.

Later, at the morning's plenary session, I'm squeezed into the press area of the football-field size meeting room, sur-

rounded by a virtual United Nations of hacks from the world's print media. There are several thousand relaxed, smartly-dressed bodies seated in the same room waiting to hear Michel Camdessus, the French Managing Director of the International Monetary Fund (IMF), and Barber Conable, the balding American head of the World Bank.

Both men give grandfatherly, calm, sometimes poetic speeches. I pay close attention to Mr Conable's words since the World Bank is the special focus of my research. His delivery is polished and his speech writer has pushed all the right buttons. Women are a high priority for the Bank, he assures us. The Bank has done a lot to battle poverty and will do more, he says, by increasing loans for education, family planning and nutrition. The environment, too, will be a top priority. Eastern Europe also gets a nod as does the need for more overseas aid from Western donors. And the Soviet Union, late to the fold, is acknowledged for sending official observers to the meetings for the first time. In full literary flourish Mr Conable even quotes that hoary old British socialist



Life amongst the ruins: Bank projects devastate vast areas of Amazonian rainforest.

George Bernard Shaw. 'The greatest of evils, and the worst of crimes,' he intones solemnly, 'is poverty.'

After Conable's words my press colleagues sprint back to their word processors in the hotel basement 'media centre' to feed their stories back to New York, Karachi and Sydney. Not constrained by deadlines (we magazine people have relaxed lead times), I wander over to the NGO briefing area which is hidden away in the lower foyer.

A global consortium of non-governmental groups (NGOs) has been stirring things up at Bank-IMF meetings for the past five years. This year 160 people from 38 citizens' groups have made it to Washington. A mixed bag of talented activists from as far afield as Burkina Faso, Peru and Thailand, they've come to share information and research on Bank activities in their countries and to lobby government and Bank officials. Unfortunately, only a handful of NGO representatives have actually been allowed into the meeting. The others have been refused accreditation by their home governments – a gesture which speaks volumes about the paranoid nature of authoritarian Third World regimes.

Greenwashing the public

Of the more than 400 journalists at the meetings, fewer than six show up at the NGO press conference. The activists are used to that. This is the first year they've even been allowed a space in the conference area, and it is little more than a closet tucked away in a forgotten corner.

Like Barber Conable, they also talk about the World Bank's impact on poverty, development and the environment. But their language is not so kind. In fact it's hard to believe they're talking about the same organization.

One after another the speakers at the press conference take the mike. They are angry and eloquent. Juni Kalaw, a young, articulate economist from the Haribon

Foundation in Manila, says bluntly that the Bank's disastrous environmental record should disqualify it from helping run the newly announced Global Environment Fund. Then Chee Yoke Ling, a perky, exacting lawyer from the Malaysia-based Third World Network, slams the Bank for trying to 'greenwash' the public with its recent handwringing over the environment. Pat Adams, the seasoned, no-nonsense Director of the Canadian group Probe International, calls the Bank's consultation with NGOs 'erratic and by invitation only'.

Ricardo Reboucas, a gnome-like ex-banker from the Brazilian agency IBASE, is the final speaker. He bemoans the Bank's embrace of structural adjustment programs (SAPs). Austerity measures inspired by the Bank and the IMF have increased poverty and unemployment in Brazil, he says, while scarce investment capital is being pumped out of the country. In 1989 alone the World Bank took \$724 million more out of the Brazilian economy than it put back in.

This is the same \$22-billion-a-year organization that Barber Conable says is dedicated to 'sustainable growth' and 'poverty reduction' in the developing nations. The difference is that World Bank bureaucrats tend to look at poverty through the microscope of conventional economic theory. Reducing poverty, they say, means stimulating growth, supporting free trade and investment. This basic credo is repeated endlessly like a magic incantation in countless Bank documents. The NGOs look at the equation from the other side: poverty as seen through the eyes of the poor. As you might imagine the views are quite different.

But before we get deeper into these contrasting views let's step back for a moment and look at some more basic questions. Just what is the World Bank? What is it supposed to do? And why should we care?

First of all, it's not really a bank, at

least not one you and I could use. Initially it was conceived as one of three post-World War Two institutions designed to steer the global economy on a steady course between the rocks of depression and the whirlpool of currency mayhem. Its main job (inscribed in the original 1946 articles of agreement) was to stimulate the flow of global capital and to facilitate the expansion of free markets. Until the early 1980s it did this by lending money to the Third World, mostly for mega-projects – mines, hydro-electric dams, roads, bridges and the like.

The Bank generally potted along in this manner, paving the way for private investment, until about 15 years ago when an awakening environmental movement began to question the organization's preoccupation with grand schemes. As the NGOs dug, they unearthed one disaster after another.

● In 1980 the Bank loaned \$304 million to Brazil to build an iron mine at Carajas, an 890-kilometre railway to transport the ore and a deep-water port at Ponte de Madeira. The Carajas Iron Ore Project threatens the lives of 10,000 native people and may devastate an area of the Eastern Amazon bigger than France and Germany combined.¹

● In 1985 the Bank loaned \$156 million to Indonesia for the Kedung Ombo Dam in central Java. More than 25,000 people in 37 villages were to be resettled due to flooding. When the affected families refused to accept compensation offers the military moved in; protesting locals were arrested and jailed as 'communist subversives'. The Government expropriated the land, but more than 1,500 families stayed on as the waters rose, clinging to their homes from boats.

● In the early 1980s, the Bank loaned India nearly \$200 million for 'social forestry' but then ran into stiff opposition from the very people the scheme was supposed to benefit – the rural poor and



Bank President Conable: orthodox economics.

the landless. Villagers were not allowed onto common lands after the forestry department planted eucalyptus plantations on them.

In Karnataka state small farmers actually pulled up tree seedlings in exasperation, claiming the eucalyptus would mainly benefit local lumber interests. In addition the fast-growing trees were planted in semi-arid areas where they made conditions worse by draining water tables and further exhausting already marginal soils.²

Besides environmental damage NGOs found several other common threads running through World Bank projects. The first, contrary to Bank rhetoric, was that big projects rarely reduce poverty and usually make it worse. This is now accepted as fact by most NGOs. According to UK aid critic Teresa Hayter, 'it's impossible for outsiders to fundamentally alter the relationships and power structures in the communities where they are working'.³ So whether it's Sudan or Brazil, the local elites always seem to get the most out of World Bank projects.

The other common thread is the anti-democratic nature of decision-making on project funding within the Bank. Time and time again local communities are ignored. Misconceived, harmful development projects are dropped in their laps without consultation and the people of the industrialized countries, who bankroll most of the Bank's activities, are asked to pay the bill. The Bank's financial stability rests on the commitment of public funds from

member countries, yet its policies and operations are private. It is this bald 'unaccountability' that so riles critics.

'The Bank needs its own glasnost so that informed public debate can take place,' says Probe International's Adams. 'Decision-making,' she adds, 'should be returned to the people who have to live with the physical consequences of the decision; they're the people with the best judgement about what risks to take with their environment.'

As NGOs from around the globe were beginning to disclose the Bank's lamentable record on the environment, the Bank itself was shifting into territory more usually occupied by the IMF. When Third World debt became a full-blown crisis in the early 1980s the World Bank waded into the waters of 'structural adjustment'. This year nearly a third of the organization's \$22-billion budget will go into SAPs. Designed to whip flabby Third World economies into line through the discipline of the market, these programs are now in place across most of the debt-strapped developing world.

Economic straitjacket

To qualify for these loans Third World nations are forced to accept a package of stiff economic conditions aimed at making their exports internationally competitive. Social services are slashed, public industries privatized and the local currency devalued. In turn real wages fall, unemployment soars and the price of imported manufactured goods skyrockets.

So why would any Third World country straitjacket itself in this way? According to Charles Abugre, a Ghanaian activist now working with ACORD in Uganda, there was no choice. In the 1980s the prices of most Third World commodity exports like coffee, cotton and sugar had fallen dramatically. And private lending from nervous Northern banks dried up after the 1982 debt scare.

'There was no money available anywhere, even bilateral aid, until the Bank and the IMF gave the green light,' Abugre claims. 'It would have been foolhardy not to accept structural adjustment.' And perhaps just as foolhardy to accept it. In Uganda, he says, the belt-tightening can go no further. One-third of the public sector has been laid off, bribery is endemic and the north of the country now runs on a barter economy.

Structural adjustment has cut a deadly swathe through the Third World - and drawn heavy fire from critics. So much so that UN agencies like UNICEF have castigated Bank-IMF policies for destroying the basic human capital on which poor nations must build their future. Schools have closed, infant mortality is on the upswing, malnutrition is growing and preventable diseases are spreading.

Where people have resisted this erosion of living standards, governments have unleashed their armed forces and

clamped down on dissenters. Dictatorial regimes from Sudan to Bolivia have a soft spot for military spending; it's one area that never seems to feel the pinch of austerity. This is one of the great ironies of the World Bank's embrace of free markets - the policies needed to put the system in place end up increasing repression and sabotaging democratic freedoms.

Others claim that SAPs have effectively undermined the political sovereignty of their countries. Delegates at a conference sponsored by the Institute for African Alternatives blasted the Bank and the IMF for spearheading the 'recolonization' of Africa. The African scholars charge that the two agencies 'are the bridgehead of a new imperialism', effectively controlling the economic destiny of dozens of African countries. 'They approve national budgets as well as monetary, trade and fiscal policies; they appoint representatives to Ministries of Finance and Trade and they provide a seal of approval for other foreign lenders.'⁴

Structural adjustment may have failed on social grounds but it has succeeded famously for the private banks. The Third World has continued to ship out cheap resources to the industrialized nations even as their value on international markets has fallen. And they have continued to service their debts - even though the principal has hardly been touched. In fact total Third World debt creeps ever upwards: the meter has now topped one trillion dollars and is still ticking. Countries like Ghana, whose debt burden has doubled from \$1.5 billion to an estimated \$3 billion since 1983, are actually worse off after taking the World Bank's medicine.

And the net flow of capital from South to North, in the form of profits and interest payments, has turned into a virtual torrent. This annual tribute has now topped \$50 billion. Bank President Barber Conable may wax eloquently about development being 'a slow process, a constantly moving tapestry'. But in the face of this massive South-North subsidy the Bank's high-flown commitment to fighting poverty is reduced to meaningless blather.

All this fuels the outrage of NGO groups who keep nipping doggedly at the Bank's heels. They are determined to bring the organization's actions and policies before the court of public opinion. And they will keep appearing at these World Bank-IMF annual gabfests, button-holing officials and asking embarrassing questions. Because at the end of the day there is one embarrassing question whose answer seems clear: who is aiding whom?

Worth reading on ... THE WORLD BANK

Two classics are Cheryl Payer's *The World Bank* (Monthly Review Press, 1983) and *Aid: Rhetoric and Reality* by Teresa Hayter (Pluto Press, 1985). For an up-to-date summary from the Bank's activist critics send for a copy of the *Position Paper of the NGO Working Group on the World Bank* (c/o ICVA, 13 rue Gautier, 1201 Geneva, Switzerland). Less challenging and more readable is a chilling summary of Bank activities across the Third World called *Funding Ecological and Social Destruction* (Bank Information Centre, Washington, DC, 1989) - another collaboration from the NGO community. As general background on the Bank, the debt question and the global economy don't miss *Recolonization or Liberation* (Ecumenical Coalition for Economic Justice, Toronto, 1990) a perceptive and thoroughly researched little pamphlet. In the same area and also highly recommended is George Ann Potter's *Dialogue on Debt: Alternative Analyses and Solutions* (Centre of Concern, Washington, 1988). From the Bank's side take a deep breath and struggle through this year's *World Development Report - Poverty* (World Bank, Washington, 1990) or write them directly for a publications list.

¹ *Funding Ecological and Social Destruction: The World Bank and the IMF*, Bank Information Centre, 1989. ² Bruce Rich, Environmental Defense Fund and National Wildlife Federation, Statement to the Subcommittee on Foreign Operations, Committee of Appropriations, US Senate, July 1990. ³ *Exploited Earth*, Teresa Hayter 1989. ⁴ *The IMF, the World Bank and African Debt*, Bade Onimode, Vol 2, Zed Press 1989.



THE power behind the podium: decisions taken in World Bank conference rooms are soon felt on the streets and in the villages of the Third World. Mega-projects end up harming the poor. And those who protest government austerity measures risk the wrath of riot police.

Me-first madness

Former employee Davison Budhoo argues that self-interest, not poverty, is the ruling passion at World Bank headquarters.

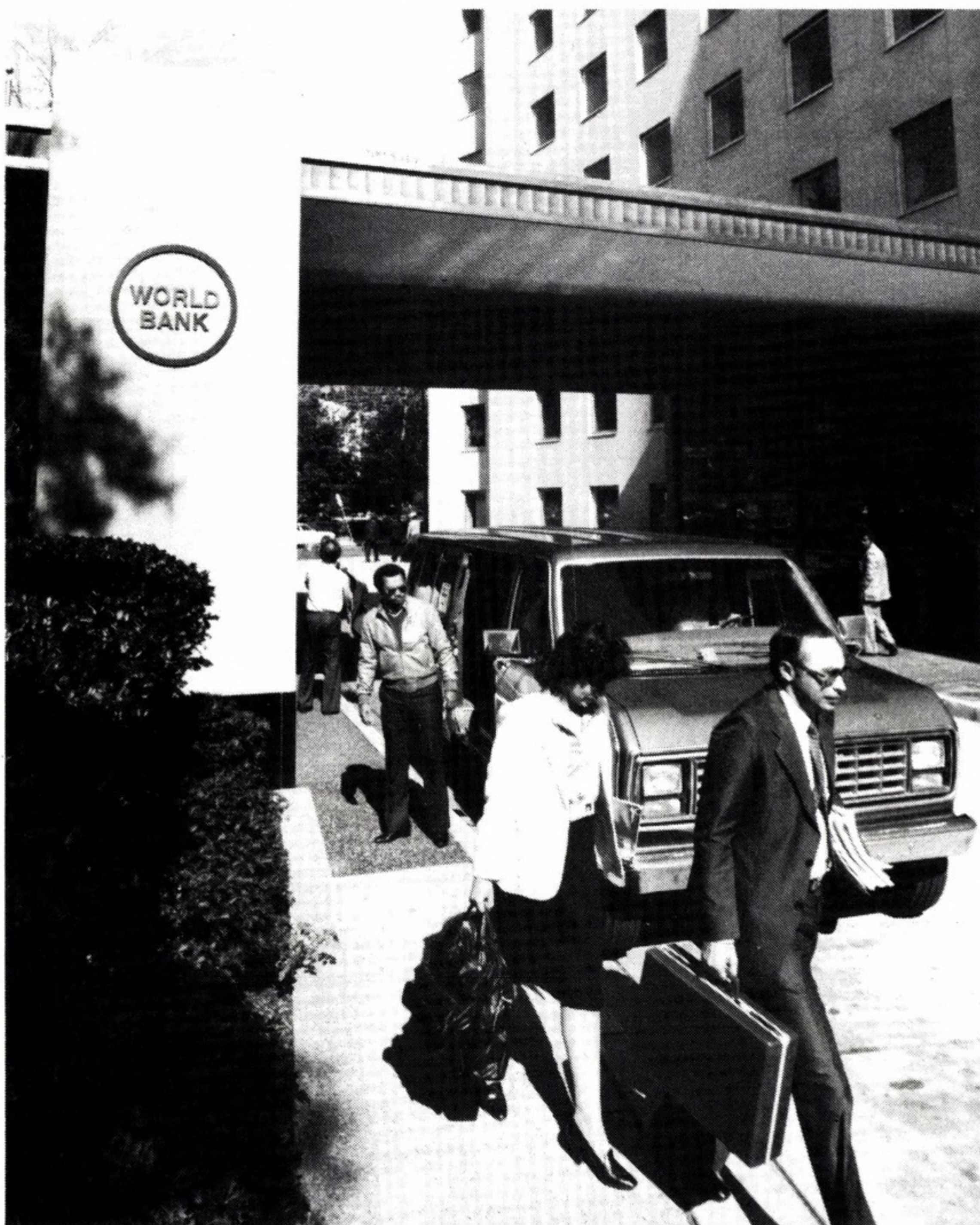


Photo : Tom Hanley/Camera Press

The first thing visitors see as they enter the World Bank's flag-draped Washington headquarters is a jazzed-up video program. The subject: why the Bank's offices need to be expanded and renovated for more incisive judgment in lending to the Third World. (It already encompasses nine massive high-rise buildings straddling five blocks of Washington's most prized business area).

But the boundaries of change seem confined only to the buildings. Most employees still wince when you mention Bank President Barber Conable's 1986 claim that the Bank's central challenge 'is to mobilize the will and the resources of the affluent and of the afflicted alike in the global battle against poverty'. Said one long-time staffer recently: 'He was only telling Third World Governors what they wanted to hear.'

With nearly 7,000 employees, the World Bank is the largest bureaucracy in Washington, apart from the Federal Government. And its salaries and perks are by far the highest in the world for comparable jobs – three times as high as similar positions in the US Government, when tax-free salaries and other allowances are considered. An irresistible urge to protect what you have and to follow the lead of your boss – who writes your year-end Performance Report – structures and conditions every working hour at the Bank. This 'me-first' approach has little to do with what Conable says at political podiums around the world.

In fact, most Bank staff don't care a hoot about world poverty nor about what they should or should not be doing in the Third World. They are concerned about pay, about being 'downgraded' to less

interesting positions with fewer opportunities for promotion and about losing their jobs.

In 1986, for example, when Conable ordered a massive internal reorganization to sort out the wheat from the chaff – as seen through the eyes of top management – there was panic in the ranks. Many long-term employees set out to shore up their image. In one instance, staff were bemused by the sudden, undivided interest of a Division Chief in every detail of a structural adjustment loan to a tiny country that in the past had been left wholly in the hands of the divisional lead economist. A delegation from the country waited for four days while the Division Chief learned in a frenzy all that there was to know about Bank operations there.

After an urgent exchange of memos and several impromptu meetings between the Division Chief and the Vice President for Operations, conditions for the loan were dramatically stiffened – thus winning brownie points for the Division Chief. The country's delegation, innocent witness of this blatant act of personal aggrandizement, was angry and dismayed. But there was nothing they could do about it. Outcome: a whopping promotion for the Chief when new assignments were announced and a humiliating transfer for the lead economist.

In 1987, Conable intimated to the Board of Governors' Meeting in Berlin that the reorganization had been completed. With unexpectedly strong criticism from protesters ringing in his ears, he again reaffirmed the Bank's Third World poverty mandate. And he made a new promise. Because the reorganization had helped the Bank 'greatly improve its institutional ability' it was now in a position to offer 'intellectual leadership in the understanding of development'.

After the reorganization, the Bank was divided into four 'Complexes': Operations; Policy, Planning and Research; Finance; and Administration.

The 'Operations' complex alone assigns at least four people to each country. A country economist 'to diagnose the potential for development'; a country program officer to 'co-ordinate Bank activities'; a project economist to 'assist in identification, appraisal, implementation and evaluation of individual projects'; and a financial economist to 'review and investigate all financial aspects of potential projects'. In all likelihood, a Research Department will also be involved, to 'explore innovative approaches to development techniques and strategies'.

According to one veteran from the Operations Evaluation Department: 'They end up falling over themselves. Job descriptions overlap so comprehensively that everybody gets frozen into a tiny space and very little gets done. It's absolute madness.'

Despite the madness, staff last year managed to win another big salary

increase. This marked the end of a five-year charade involving an 'objective' and 'comprehensive' salary review by management to determine levels and principles of staff remuneration. A group of major member countries, led by the US, objected vehemently to the increase. (In fact, Mr Brady, US Secretary to the Treasury, wrote to Mr Conable in early 1989 warning him of the outrageous waste of Bank resources going into staff salaries and allowances). But internal forces within the Bank, led by the Staff Association, were strong enough to silence the objectors. Morale, which reached a trough at the time of the Brady letter, is now sky-high.

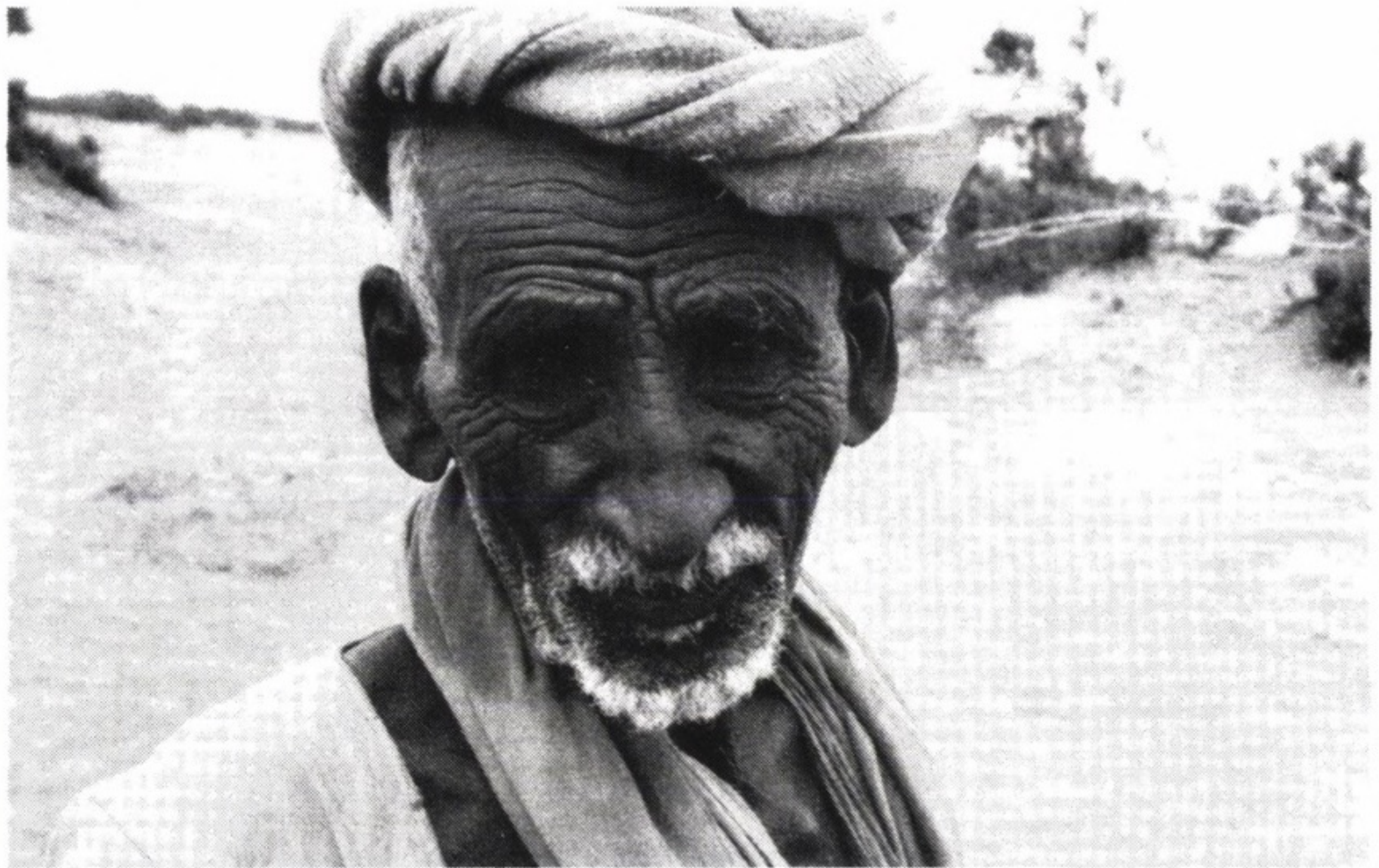
How can a middle-level economist with five years experience justify receiving what amounts to more than 300 times the per capita income of more than half of humankind? The following excerpt from a 1987 memo from the Acting Chief of a major Bank Division is brutally honest. 'Our career in the Bank,' he wrote, 'is based on our ability to talk about our work rather than on the quantity or quality of work produced.'

The writer was modest. The aspiring economist must not only talk about his work; he (and it is almost always a 'he') also has to be able to talk lucidly about the Bank and to sing its praises to all and sundry. That really is the key to a successful Bank career. And in this respect, the Issues Book is vital.

Distributed to staff by the External Relations Department, the Issues Book contains the official Bank position on every conceivable subject. It not only defines the framework within which staff members may speak; it virtually tells them what to think about the Bank and the good works that it does in the Third World. It is the Bible for those climbing the ladder. And that is virtually everyone.

Despite the pressure to conform, some employees have had the guts to speak out. As early as 1982 Mahbub ul Haq, Director of Planning and Policy Review Department, resigned to denounce the institution as 'stagnant and confused'. And in early 1990, Michael Irwin, Director of the Health Services Department and Acting Vice President for Personnel, left the institution, blasting it for arrogance, secrecy, inflated salaries and lack of cost-effectiveness. Recently Frank Vogl, Director of External Relations, also resigned, accusing the Bank of 'double standards' in its relationships with Latin America and Eastern Europe.

Like the International Monetary Fund (IMF), the Bank does not respond to 'insider' criticism. It waits for matters to blow over, hoping that what 'hostile' former staff members have to say will not be taken too seriously. It goes through the motions, however, of making it known that protesting ex-staff members are disgruntled, and that their remarks are based more on pique than fact.



World Bank policies in Sudan are forcing farmers off the land: 'flawed and self-serving'.

In fact, many Bank employees, including senior staff, talk frankly among themselves about the ills of the institution and its inability to change, even marginally, to meet the exalted role that Barber Conable projects for it. Conable himself, at a senior managers' meeting in November, 1989 referred to the Bank as 'a battleship which turns slowly'.

Consider the following: last year, when the Bank was under heavy pressure for its dismal failure in Africa during 1980s debt crisis, staff published a report showing that only countries adopting its structural adjustment programs had fared well. For some weeks the institution basked in the glory of success.

'We know a great deal about who the poor are, where they are, and how they live. We understand what keeps them poor and what must be done to improve their lives.'

WORLD BANK PRESIDENT BARBER CONABLE, 1990

But then academics, researchers and the alternative press began to pinpoint flaws and contradictions in the Bank's analysis. 'Outside' indignation reached a pitch of protest unparalleled in the Bank's history. Result: it was forced to withdraw the report from circulation and start a more measured analysis of Africa's myriad economic woes.

Unfortunately this is one of the few success stories where world public opinion has forced the Bank to become accountable. One can point to several other major areas of Bank activity as flawed and as outrageously self-serving as the African report. In most of these instances, however, the institution succeeded in 'managing' public opinion

and insulating itself from change.

For example, there has been almost no public fallout over the dismal failure of the Bank's Social Dimensions of Adjustment Program designed to 'save face' by counteracting the adverse impact on poor people of Bank structural adjustment programs. Nor has there been much attention paid to the implications for the poor in the Third World of the Bank's unyielding drive to establish free-wheeling capitalist economies in every country of the South, irrespective of circumstances.

Several of Mr Conable's recent public statements give cause for alarm. They seem to suggest that the world ought to connive with him and the Bank to perpetrate the myth of a highly-efficient organization doing its best to fight world poverty and protect the environment.

The disturbing thing is that this is not just the wishful thinking of a beleaguered man. It is already reality. For the Bank (in close collaboration with its sibling institution and comrade-in-arms, the IMF) has lined up a formidable array of forces from both the developed and developing world to support it – indeed to revere it – in everything that it says and does. Private bankers, multinational corporations, mainstream economists and their government backers are the Bank's strongest cheerleaders. As far as management and staff are concerned, blind and indiscriminate loyalty from these powerful, self-serving groups define 'rightness' and 'justification' for its Third World policies. Only the overwhelming force of countervailing public opinion can persuade them to change. □

Davison Budhoo is a former economist with the World Bank and the International Monetary Fund. He is the author of *Enough is Enough: Open Letter of Resignation from the International Monetary Fund* (New Horizons Press, 1990) and *Multilateralism and Re-enslavement* (New Horizons Press, forthcoming, 1990).

The Bottom Line

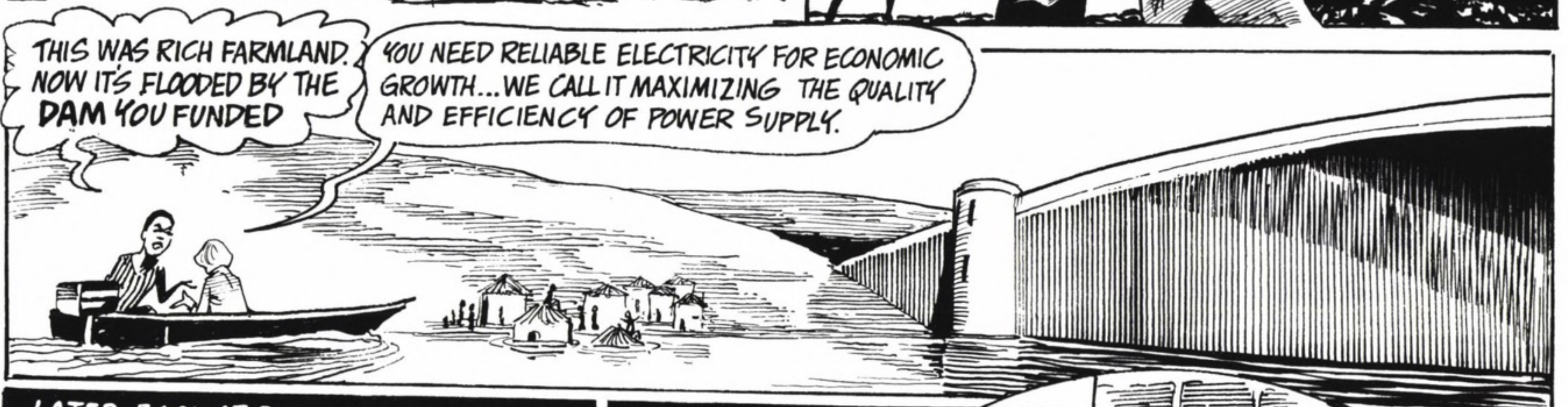
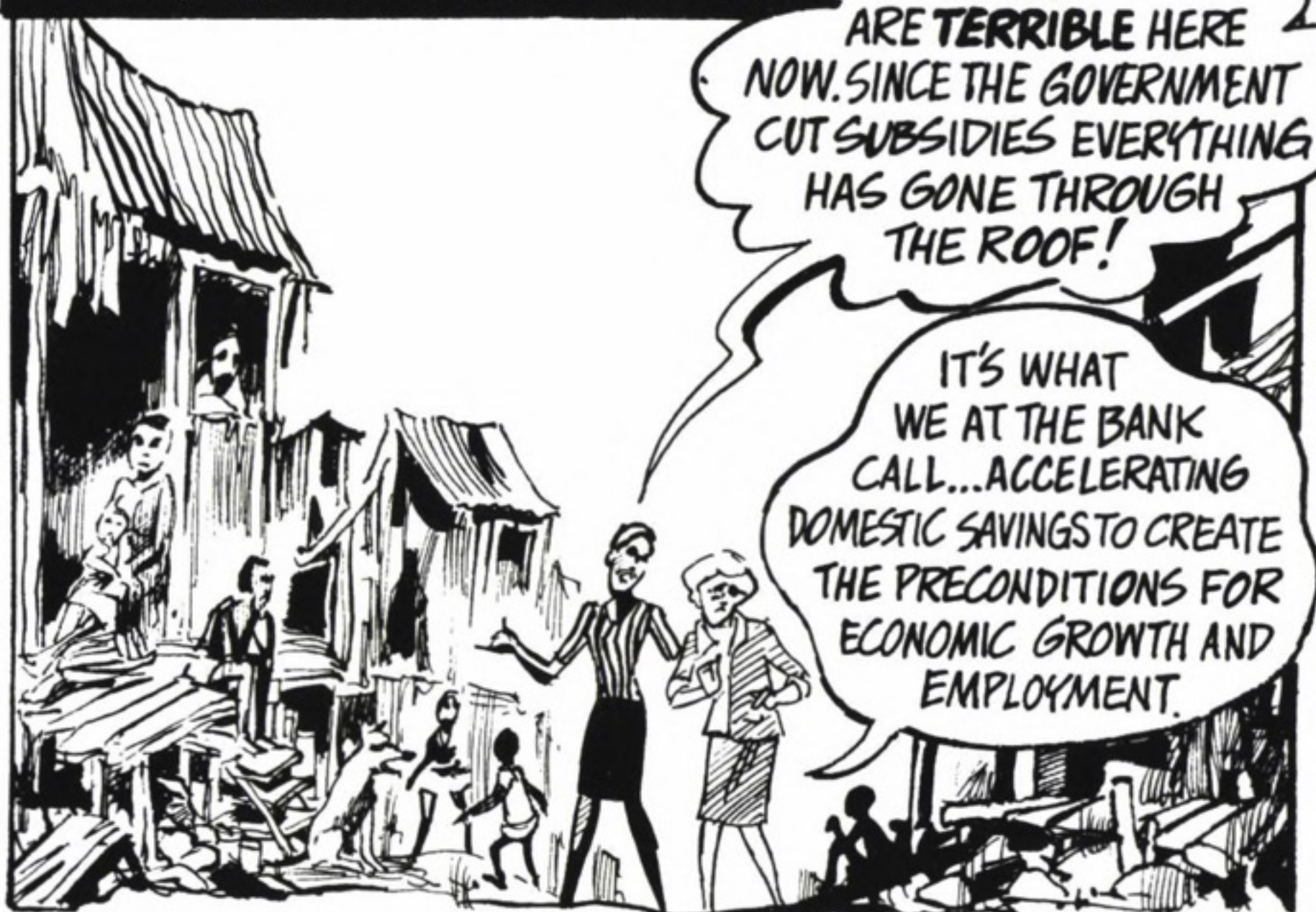
...or what happens when economic theory becomes more important than people.



MEANWHILE, ON THE STREETS...



DEEP IN THE SHANTYTOWN...



LATER, BACK AT BANK HEADQUARTERS...

A FEW MONTHS LATER



Greenspeak

The World Bank is doing its best to present itself as a born-again friend of the earth. Bruce Rich separates fact from fancy.



Illustration: Alan Hughes

The World Bank has been a target for environmental groups around the world for the better part of a decade. In response to this activism, the Bank claimed in 1987 to have seen the green light. Yet some of its most publicized environmental initiatives, such as greatly increased lending to counter tropical deforestation, are now widely seen as global ecological menaces. Instead of the benign green giant that was hoped for, the new, environmental World Bank has turned out to be an ecological Frankenstein armed with a chainsaw.

This judgment may appear overly harsh – especially since the Bank is preparing more and more projects that allegedly promote environmental protection and conservation. Over the past year officials have approved a number of projects that show its environmental reform efforts are, in a few specific cases, beginning to produce results.

In early 1990, for example, the Bank approved innovative loans totalling \$161 million for Brazil, Poland and Madagascar to support national environment agencies. Environmental loans for several Latin American countries are also being planned. In addition, a new and critically important environmental assessment policy was introduced in December 1989. Although it needs strengthening, it is an important step forward.

Nevertheless, these attempts at reform have to be evaluated against the overall environmental impact of the Bank's current lending – now running at over \$20 billion annually. For every new, environmentally positive project touted by the Bank, environmentalists can point to many others that are causing completely avoidable and unnecessary environmental destruction and social disruption. The Bank continues to have difficulties in dealing with the severe impacts associated with the environmental disruption caused by its projects, particularly with respect to the forced resettlement of populations and threats to the livelihood and survival of indigenous and tribal peoples.

In September 1989, a hearing of the Human Rights Caucus in the US Congress found that more than 1.5 million people are currently being displaced by Bank projects. The Caucus also documented scandalous violations by governments in Asia and Africa of Bank policies that require compensation for anyone who is forcibly resettled.

Since then things have deteriorated further. At Kedung Ombo in Java and in India's Narmada Valley there have been violent confrontations between police and peasants whose villages are threatened by Bank-financed dams. When a second hearing on resettlement at India's Sardar Sarovar dam was held in Washington in October, 1989, Congressman James Scheuer was outraged. 'The World Bank's written assurances,' he said, 'don't amount to a hill of beans'.

Although much of the blame for the shoddy treatment of poor people displaced by Bank-financed projects lies with local governments, the Bank has become a major accomplice by failing to enforce its own resettlement policies. These policies, which date back to 1980, theoretically require the implementation of a rehabilitation plan that as a minimum will put displaced populations in a situation that is no worse than before the project. This doesn't seem too much to ask of an institution that prides itself as a leader in alleviating poverty. The 1.5 million being displaced by Bank projects are already among the poorest people of this earth.

A bunker under siege

There has also been mounting criticism of the Bank's Environment Department – whose creation was the centerpiece of the reform efforts. The Environment Department's irrelevance is partly institutional: it has relatively little connection to the Bank's operations complex, where Country Directors and project officers ('Task Managers' in Bankese) prepare projects and build up loan portfolios. But critics have also held the Department's

'A healthy economy cannot survive in an unhealthy environment. We will encourage ecologically sound patterns of energy use, agricultural development, industrialization and human settlement.'

WORLD BANK PRESIDENT BARBER CONABLE, 1990

Director responsible for many of the problems. The Director has been accused of taking little initiative in influencing Bank projects and operations – of leaving the department adrift in a sea of meetings and conferences, unfulfilled commitments and irrelevant studies.

In fact, by the summer of 1990 the Bank's Environment Department began to resemble a bunker under siege. Internal concern over its ineffectiveness prompted a radical purge by senior management: key staff were relieved of their duties and morale reached unplumbed depths. Relations between the Department and non-governmental organizations (NGOs), always testy, degenerated further.

The environmental problems that continue to plague the Bank's operations are clear in two areas of critical importance – forestry and energy. Here environmentalists allege that Bank policies and projects are promoting largely avoidable ecological degradation. To make matters worse, over the past two years energy and forestry have been the Bank's largest and fastest-growing lending sectors.



Huge hydro-electric dams continue to get the lion's share of World Bank energy loans.

In no other area has the Bank emphasized its purported environmental commitment over the past three years more than in the forestry sector. In May 1987 Bank President Barber Conable emphasized that the most important focus of the Bank's new environmental lending would be a global program to support tropical forest conservation. To bolster that, he committed the Bank to increase its forestry lending 150 per cent by 1989. Then in September 1989 Mr Conable announced a tripling of Bank forestry lending by the early 1990s. If this target is met, Bank forestry lending could approach \$800 million a year by 1993.

It is almost Orwellian, then, that several of the Bank's forestry loans over the past two years have been little more than massive cash infusions to promote accelerated commercial logging of some of the planet's last remaining intact forests. The Bank's apparent rationale for these loans is that to save some of the forest it must lend more money to destroy a good part of what remains. Logging is now rebaptized in Bankspeak as 'sustainable forest management'. Such is the outrage in the environment community that once non-adversarial groups like the World Wildlife Fund (WWF) have strongly critiqued these loans and helped mobilize the Bank's Executive Directors to stop them.

In early 1990 the Bank submitted to its Board for approval a \$23 million forestry-and-fishery project for Guinea. Yet, according to WWF, the so-called 'forest management and protection' component of the project is a deforestation scheme in disguise. The Bank's money will help support the construction of 45 miles of roads around two humid forest reserves totalling 150 square kilometres; some 106 square kilometres of these are still pristine rainforests. Worse, hidden in the fine print of 'the management and protection' section of the Bank's project document is its real thrust: two-thirds of the remaining 106 square kilometres are to be opened for timber production. WWF's critique of the loan sparked considerable discussion by the World Bank's Board but did not

succeed in delaying or modifying the project. Bank staff argued that without the project logging would proceed at a much greater rate. The project, they said, is a realistic way of helping Guinea control and reduce logging already under way.

Flagrant deforestation

On the heels of the Guinea project the Bank's Board was asked to approve an even more massive deforestation scheme, an \$80 million loan for Ivory Coast, another West African country with rapidly disappearing forests. The project will finance and promote timber production 'on a sustainable basis' in a half-million hectare rainforest under the management of local logging companies. The WWF again strongly criticized the project and Patrick Coady, the Bank's US Executive Director, refused to approve it.

Coady was concerned about opening new forest areas for logging. But he also argued that the project failed to address the 'voluntary resettlement of as many as 200,000 people'. Astoundingly, the Bank's appraisal of the project flagrantly violated its own policies on resettlement: it lacked both terms of reference and specific measures on resettlement of people displaced by the project.

Perversely, the Bank's recent increased emphasis on forestry appears to be nothing less than a full-fledged assault on the remaining tropical and temperate forests of the Third World. Many of these projects evoke the rhetoric of sustainability while accelerating the mining of forest resources. Small amounts are thrown in for environmental studies and support for 'postage stamp' protected areas.

The recent \$45.4 million allocated to the Mexico Forestry Development Project is another illuminating example. This project (total cost: \$91.1 million) is designed to promote harvesting of one of Latin America's largest remaining temperate forests, the extensive pine and oak stands in the Mexican states of Durango and Chihuahua. The project area covers 9,100 square kilometres – more than 23 per cent of the country's estimated remaining

Photo: Camera Press

forested area. As much as \$48.1 million of the total project costs are for a line of credit to finance the purchase of logging equipment and sawmills; another \$33.6 million will go to improve 1215 kilometers of logging roads.

Other funds will go to finance a pre-feasibility study for two huge pulpmills in the area as well as a study on the 'pulpability' of native oak species. Nowhere is there a discussion of the sustainability of harvesting in the appraisal report, nor is there any reforestation component. The Bank's environmental justification for this scheme has a familiar ring: 'Timber harvesting... and forest products manufacture will continue with or without Bank involvement... the project has been designed to reduce and mitigate the negative environmental impacts of traditional forestry and forest-industry practices in the two states.'

These examples show that much of the Bank's current forestry lending is a threat both to global ecological stability and to the world's remaining rainforests. The Bank's forestry lending appears to be based on the premise that tropical forests are timber resources that can be sustainably exploited. Conservation and protection of the genetic resources in these forests is at best a secondary consideration; it seems strikingly at odds with the primary economic goal of promoting wood exports.

In reality there is no developing country where sustainable management of tropical moist forests is practical. From the standpoint of maintaining biological diversity, it is a contradiction. Incredibly forestry projects, including the three discussed in this article, are exempt from the World Bank's new environmental assessment guidelines since they are assumed to be environmentally beneficial.

Building the greenhouse

Energy is now the Bank's biggest single lending sector, accounting for 18 per cent of its new loans in 1989. World Bank-financed energy projects, mainly large dams and coal-fired plants, have destroyed sensitive and valuable ecosystems, threatened human health and forced the resettlement of hundreds of thousands of poor and indigenous people.

In addition, the kind of energy development promoted by the Bank has profound international environmental risks, not the least of which is global warming through increased CO₂ emissions. World Bank-financed, coal-fired power plants accounted for seven per cent of the increase in CO₂ emissions from the Third World during the 1980s.

Environmental groups in the US as well as in countries like Brazil and India have called repeatedly for the Bank to fund more cost-effective, energy-efficiency programs – and even the US Congress joined the clamour in 1989.

In countries like Brazil and India, the



Forestry lending threatens global ecology.

Bank's own studies have shown that as much as half of the projected new power demands over the next 15 years could be met by efficiency and conservation investments – at less than half the cost of new power plants to produce the same amount of electricity. Despite these arguments, the World Bank has devoted no more than three per cent of its energy and industrial-sector lending to energy-efficiency improvements over the last decade.

This is short-sighted, to say the least. Many developing countries won't be able to meet their future energy demand simply by increasing supply. In India, public energy investment has grown from 20 per cent to 31 per cent of the federal budget over the past 15 years. If the trends of the past decade and a half continued, 99 per cent of India's total federal budget would be spent on energy by 2020. All of India's hydro-power would be tapped, the country's domestic uranium reserves would be exhausted. The disastrous consequences would include the forced displacement of 10.6 million people – in effect creating a city of environmental refugees the size of Bombay – and the inundation of nearly three per cent of India's existing land area.

Unfortunately, the need for energy-efficiency improvements has made little or no impact on the Bank's Indian loans. Despite energy loans of nearly \$8.5 billion over the past nine years, not a single dollar has gone towards efficiency improvements. Similarly, out of a total of \$2.3 billion in industry loans to India from 1981-89, only \$53 million (two per cent) went to energy-efficiency improvements (though a \$225 million efficiency loan is finally in preparation).

Financing fiascos

The Bank's ecological record after three years of environmental reform poses a conundrum: how can an institution that is purported to be the world's greatest repository of development expertise continue to finance such fiascos?

There are two short answers. The first is the Bank's institutional priority to keep money moving through the project pipeline. The second is the need not to

push the Bank's larger borrowers too far on project quality. Energy-efficiency investments often have less political pay-off for both Third World Energy Ministries and World Bank country directors – they don't have the same splashy impact as big dams and giant power grids. In addition, in some areas such as management of tropical moist forests, the development profession is an Emperor who many view as virtually naked: there is little consensus and less practical experience in promoting so-called sustainable forestry in the Third World.

There is a real danger that industrialized nations may rely even more on the World Bank to solve the global environmental crisis even though the Bank is still clearly an important part of the problem. It is up to the main industrialized nations (who control the World Bank's Board of Executive Directors) to give stronger, less ambiguous signals that environmental sustainability, not moving money, is the number one priority.

Recently the Bank's financial staff aggressively promoted a new environmental lending facility called the 'Green Fund'. The proposal was prepared in a few weeks last January without consulting non-governmental organizations. Approval came quickly along with additional funding (about \$2.4 billion) from major donor governments. Leading US environmental groups pointed out that although cheap environmental loans were necessary, the solution was not to give more money to the Bank before it had demonstrated – more than rhetorically – its competence to manage the already enormous funds at its disposal in an environmentally sustainable manner. In essence they argued that the Green Fund would amount to throwing good money after bad.

The creation of a Global Green Fund under Bank management has to be preceded by much closer scrutiny by governments and NGOs of what is actually going on in individual Bank projects and loans. NGOs have performed an invaluable service in recent years by providing independent information to the Bank's Board on the real environmental and social impacts of specific projects – information that has often contrasted sharply with the optimistic claims of Bank staff.

Increased scrutiny, however, cannot occur without radical changes in the World Bank's treatment of information. The Bank is a public international institution, funded with public funds for public purposes; its withholding of information on its activities is intolerable and a scandal. In the final analysis, sustainable development and public accountability are inseparable. □

Bruce Rich is senior attorney with the Environmental Defense Fund in Washington DC. For his research and advocacy work on multilateral development banks he was awarded the Global 500 Award by the UN Environment Programme in 1988.

Damage control

Despite years of local protest and a growing international clamour, both the World Bank and the Indian Government are determined to push ahead with a massive dam project in the Narmada River Valley. Backed by a \$450 million loan from the Bank, one of the main dams in the system – the Sardar Sarovar – is now being built.

The project has been blasted as both an ecological time-bomb and an economic disaster. Key local activists like Medha Paktar argue that a powerful coalition of rich farmers, businesspeople and builders is the real force behind the Dam.

The campaign to stop the project has already paid off. Under pressure from environmentalists at home, Japan dramatically cancelled further aid loans to Sardar Sarovar in June 1990. Yet the World Bank holds firm. Recently Bank President Conable told journalists in Bombay: 'We don't govern your country. Your government has to decide the priorities. We only provide financial assistance.'

The Dam's huge reservoir will cover 40 square kilometres and drown the farms and forests of 90,000 people – mostly tribal villagers. An acceptable resettlement agreement has yet to be reached with the families whose homes will be destroyed.

Indian journalist Satinath Surangi travelled to the region and came back with these words from villagers fighting the Sardar Sarovar Dam.

Panjo

Age twenty-two

Jhandra village



The Government says it is building the Dam to provide irrigation for farmers. Here we have no irrigation; we depend on the rains and yet we do not have to go begging with bowls in our hands. What good is this irrigation if it causes so much suffering to so many people? Government people tell us 'Take money from us and give us your land'. But what will we do with money? People who are uprooted go to the cities but we do not like the air in the city, the water there doesn't taste good and we won't be able to digest city food. In the city you can't even shit in peace.

Bathri

Age forty

Jhandra village



In May project officials came with a lot of armed police. We told them, 'We do not want you to survey our village. We are not moving anywhere'. But they didn't listen to us and started taking measurements around the houses. I seized the measuring tape, at which two of the policemen dragged me by the hair and beat me up. One of them pointed his gun at me, threatening to shoot. So I told him to go ahead and shoot. 'If the Government has sent you all to finish off the tribal people, why don't you kill us all?' I screamed. I am not afraid of dying - if we are uprooted from here that would be worse than dying.

Pem Singh

Age thirty seven

Kakrana village



I am against the Dam because it will make many people miserable. Once one is uprooted from one's homeland, life becomes painful. We met with people who have been uprooted from their village which was near the Dam site and resettled in Parwetha. These people told us their cattle were dying due to lack of fodder. Also many infants have died since they left their village. Now they are wanting to move away from the resettlement area.

Sarli

Age thirty-five

Kakrana village



The Government officials want to drive us away. If we were not struggling we would have been pushed out by now. They say the Dam will benefit other people. We are not against benefits reaching other people but that should not be at the cost of destroying our lives. The Government's policies benefit other people but it is the tribal people who bear the costs. We know that we will get arrested and beaten, but we also know that worse things can happen.

WORLD BANK - THE FACTS

THE WORLD BANK maintains a low public profile and so manages to escape the scathing criticism levelled at its sister agency, the International Monetary Fund (IMF). However, as these facts show, the Bank has immense power – a power which is too often abused.

WAR-TIME ROOTS



The World Bank is one of a trio of institutions (along with the IMF and the General Agreement on Tariffs and Trade (GATT)) established at the end of World War Two by the major capitalist nations. The aim was to bring stability – and thus prosperity – to the global economy. The Bank has three divisions:

IBRD (International Bank for Reconstruction and Development)
Founded: 1944

Purpose: rebuild war-torn Europe and Japan; promote free flow of investment capital in member countries.

Main function: loans to Third World for long-term development projects.

Recent activities: 'structural adjustment' loans (short-term, non-project loans with stiff conditions) began in 1980, forcing poor countries to 'restructure' their economies to pay foreign creditors.

IDA (International Development Association)
Founded: 1960

Purpose: cheap loans to countries considered poor credit risks by IBRD.

Function: makes 90% of loans to poorest countries (annual per person income less than \$480) with nominal interest rate of 0.75% to cover administrative costs; 10-year grace period repayments over 40 years.

Recent activities: 42 countries borrowed \$4.93 billion in 1989 – 23% of total Bank lending.¹

IFC (International Finance Corporation)
Founded: 1956

Purpose: backs loans for private-sector investment in Third World without government repayment guarantees; also helps mobilize investment from private sector.

Function: commercial, venture-capital outfit; runs separate from IBRD and IDA but shares same directors.

Recent activities: more than half its investments are in manufacturing, heavy industry, energy and mining.²

MONEY TALKS

Each of 151 members contribute to the Bank's capital according to their clout in the global economy. The US is the largest contributor, with Japan fast closing ranks. Only 10% of this 'subscribed capital' is paid in; the rest ('callable capital') acts as security. The Bank gets most of its money by selling bonds to international capital markets, governments and central banks.³

The biggest shareholders get the most votes on the powerful Executive Board.

Industrial nations (60% of the votes) have an effective majority, although loans recommended by the Bank President (by tradition an American: currently Barber Conable) and staff rarely come to a vote.

One representative from each member country sits on the Bank's Board of Governors though day-to-day decisions are made by 22 Executive Directors at Bank headquarters in Washington. Five are appointed (Germany, France, Japan, UK, USA) and 17 are elected from country groupings (i.e. in 1989 Italy voted for Greece, Malta, Poland and Portugal).⁴

World Bank Voting Power (Selected Countries 1989)¹

% total votes	% global pop.	% total votes	% global pop.
USA 16.33	5.00	Australia 2.19	0.30
Japan 9.43	2.40	Aotearoa/NZ 0.50	0.06
W Germany 7.29	1.20	China 2.55	21.00
UK 6.99	1.10	India 2.55	16.00
France 4.76	1.00	Saudi Arabia 2.55	0.03
Canada 2.78	0.50	Brazil 1.24	3.00

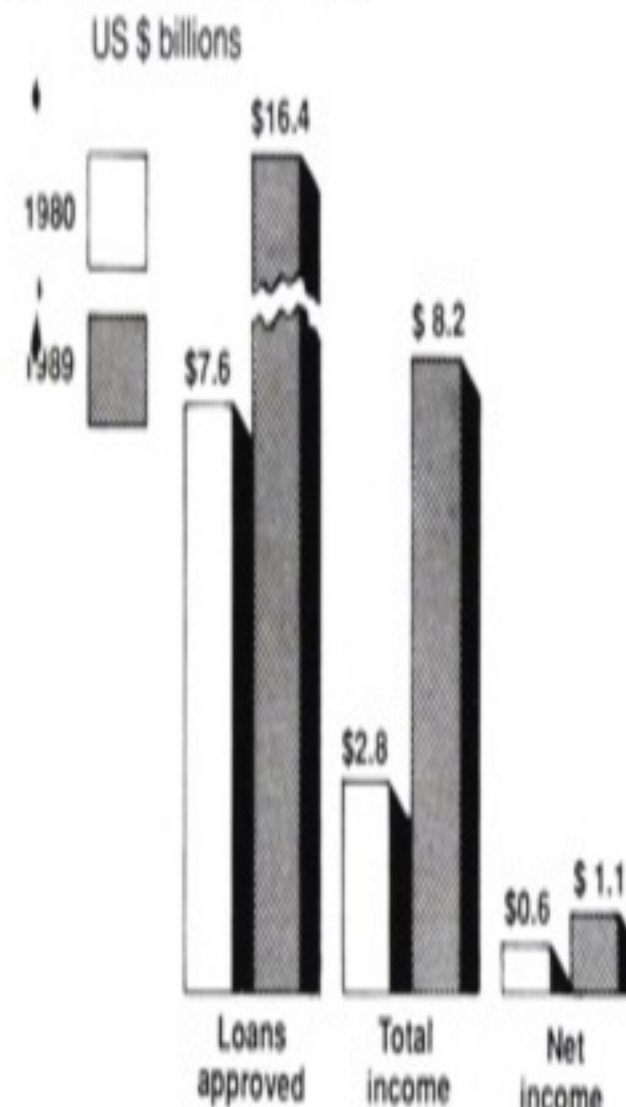
PROFITS FROM THE POOR

Bank loans are effectively guaranteed by member governments. Conservative lending (one dollar loaned for every dollar of subscribed capital) has led to a 'triple A' credit rating.

The Bank is the biggest institutional borrower on international capital markets and has made a profit every year since 1947. From 1980 to 1989, net earnings increased by 86% – \$588 million to \$1.1 billion.⁵

In 1989, 27% of the Bank's budget went to export agriculture and development finance companies. Only 11% went to education, health, nutrition, water supply and sewage.⁶

Ten-Year Record (1980-1989)¹



¹ World Bank Annual Report, 1989; ² The World Bank and The International Finance Corporation, World Bank, 1986; ³ NGO Guide to Trade and Finance, NGLS/NY, 1989; ⁴ UNICEF State of the World's Children, 1990; ⁵ World Bank Response to the NGO World Bank Working Group, 1990; ⁶ Probe Alert, August 1990; ⁷ The Emperor's New Clothes, World Policy Journal, Spring 1990; ⁸ UN Economic Survey, 1989; ⁹ Teresa Hayter, Aid: Rhetoric and Reality, 1985.

SAP ZAP

When panic over Third World debt hit in the early 1980s, the Bank moved into the breach with 'structural adjustment' programmes (SAPs). To qualify countries had to cut internal demand, slash public expenditure, boost exports and open borders to foreign capital.



Like the IMF's famous 'seal of approval', SAPs are a signal to investors of a poor country's credit-worthiness. SAPs have grown steadily since 1980. In 1989, \$6.4 billion – nearly 30% of total Bank lending – fell into this category.⁷

SAPs allow countries to pay interest on their debts but they do not help the poor. In sub-Saharan Africa, where more than 30 nations are following Bank adjustment policies, average incomes have fallen by 20% over the last decade. Spending on health care has been cut by half and on education by a quarter.⁸

Mexico's SAP increased unemployment from 1 million in 1982 to more than 4.5 million in 1987. Meanwhile purchasing power of the minimum wage fell by half.

SEEING GREEN

The Bank recently pledged to critically assess all of its projects that appear to threaten people or the environment – an estimated 25% of the total. But the Bank's past record in this area is not encouraging.⁹

Nearly 1.5 million people have been forcibly displaced by Bank-supported hydro-electric dams and resettlement programmes since 1980. A 1990 summary of proposed Bank projects suggests another 440,000 people will soon be forced from their land.⁶

The Bank continues to fund energy mega-projects while ignoring alternatives. Less than 2% of Bank energy loans went for conservation or efficiency in 1988/89.⁷

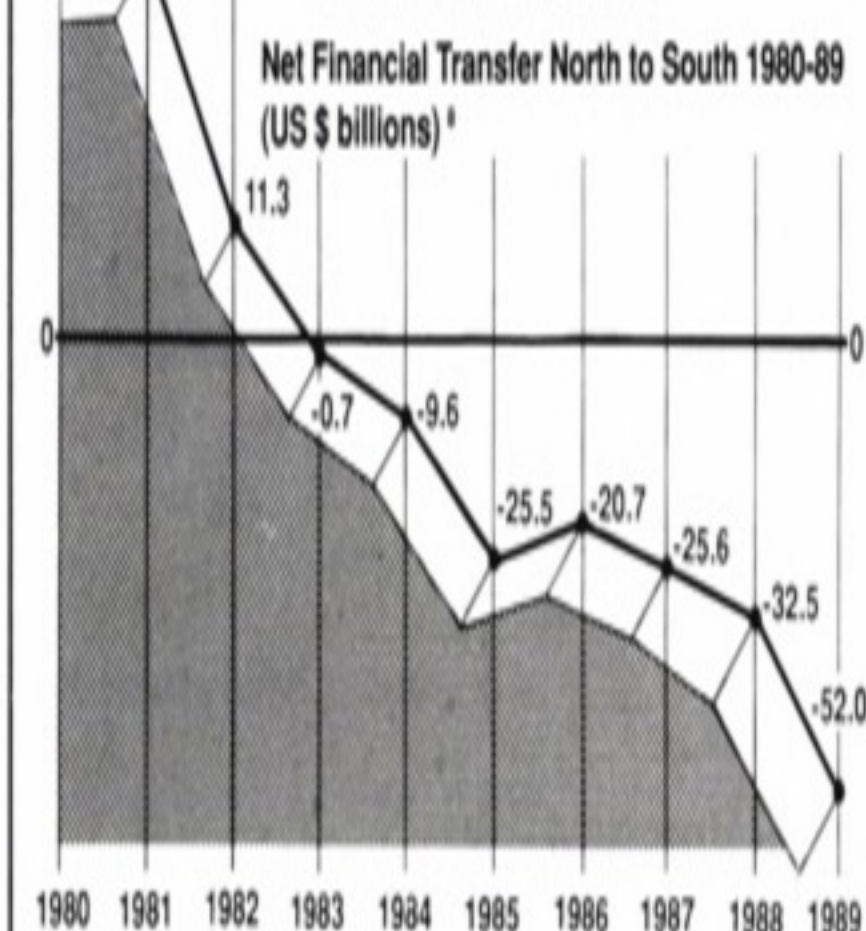


Under the Bank-supported Tropical Forest Action Plan, a proposed project in Cameroon will open 14,000 square kilometres of virgin forest. The goal: to make Cameroon Africa's largest exporter of tropical forest products by the year 2000.⁹

SLIPPERY SLOPE

World Bank and IMF economic policies dovetailed in the 1980s in an effort to keep deeply-indebted Third World countries on the rails. As a result the net flow of capital from North to South actually began to reverse in 1983.

The poor world is now aiding the rich. In 1989 the Third World paid out \$52 billion more in debt service than it received in new investment and loans.



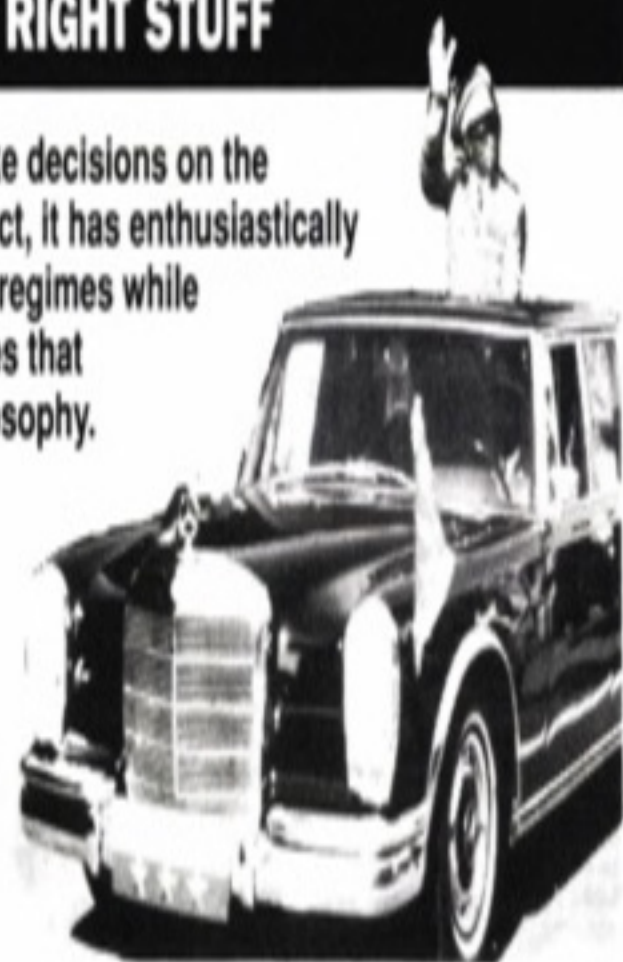
THE RIGHT STUFF

The World Bank claims to make decisions on the basis of pure economics. In fact, it has enthusiastically supported corrupt, right-wing regimes while giving a wide berth to countries that challenge its free-market philosophy.

When Chile's left-wing government of Salvador Allende was elected in 1971 the Bank effectively stopped all loans. Funding was resumed shortly after the 1973 military coup.

Shortly after the 1979 revolution the Bank stopped lending to Nicaragua claiming that the Sandinista administration was biased against the private sector. It had no problem with the Somoza dictatorship.

Zaire's notoriously corrupt President Mobutu has virtually destroyed his country's economy yet the dictator's embrace of free-market rhetoric has resulted in unstinting support from the Bank.⁹



You can't eat flowers

The World Bank claims to help small farmers and fight poverty. Yet it often winds up doing just the opposite. In Costa Rica Bob Carty argues that the Bank's economic advice may also be threatening the country's food security.



Photo: Donna DeCesare

Fredy Rivera feels trapped between the bananas and the ornamental flowers. Stretching as far as you can see are rows of dwarf banana trees owned by the giant Del Monte/RJ Reynolds Corporation. Across the road are six soccer-size fields of ornamental plants, rows of flower boxes covered by black mesh tenting to provide shelter from the sun and rain. The nursery is owned by a US investor from Florida.

The World Bank has told Fredy his future lies on one side of the road or the other: there are no other choices. But he doesn't like either option.

Fredy is a 50-year-old farmer with leathery hands, a black moustache and an easy smile. He used to grow corn and

beans on his two-hectare patch of land on Costa Rica's Atlantic coast. Thousands of other small farmers along the coastal plain did the same.

'We used to produce 70 per cent of all the corn eaten in Costa Rica,' Fredy says. 'Now, they tell us to grow only crops for export; corn and beans are cheaper to import. So I don't grow corn any more. I only use my land to grow a few vegetables to eat.'

Fredy hasn't tried to grow any of the new export crops recommended by the World Bank. Those who have, he says, are either bankrupt or have left farming. 'They couldn't sell half of it and you can't eat leftover ornamental plants like you can corn or beans.'

Fredy doesn't understand the logic of the new agriculture, but he does understand the consequences. Small farmers are a dying breed in Costa Rica. Some move to the city. Others work for the banana companies or for foreign-owned exporters of ornamental plants. 'They've changed from farmers to farm workers,' he laments. Fredy is one of the direct losers in the dramatic transformation of Costa Rican agriculture. The indirect victims are the political tranquility and social gains of this so-called 'Switzerland of Central America'.

Historically, the country's small farmers have been more literate, healthy and prosperous than their counterparts in the rest of Central America. The absence of extreme poverty is the main reason Costa Rica has not experienced the violence common elsewhere in the region. But now the elimination of a whole class of farmers producing essential foodstuffs is eroding what former President Oscar Arias called 'the base of our democracy'.

The process began in the early 1980s. Costa Rica was technically bankrupt, in the midst of recession and saddled with one of the highest per-capita foreign debts in the world. At that moment the country's desperation for foreign aid was matched by the US Government's anxiety to recruit it in Washington's campaign to topple the Sandinistas in neighbouring Nicaragua. As a result, by the mid-1980s Costa Rica had become the world's second largest per-capita recipient of US economic aid (after Israel).

But there were strings attached. Costa Rica had to adopt a structural adjustment program. And here the World Bank took the lead. According to government officials, it was the World Bank that developed the guidelines of structural adjustment, led the negotiations and put up much of the money. Then, through cross-conditionality, the International Monetary Fund, the US Agency for International Development and the US Caribbean Basin Initiative bound Costa Rica even tighter to structural adjustment measures. Those measures included lowering of real wages, subsidizing of export industries and opening the economy to foreign imports and investments.

But the greatest impact was in agriculture. The World Bank told Costa Rica to shift away from food and traditional exports like coffee, bananas and beef, to 'new' luxury crops like flowers, ornamental plants, strawberries, melons and spices. Theoretically, these crops have greater potential for earning foreign exchange.

The country could have said no; but in reality there wasn't much room to manoeuvre. 'Not accepting money from outside would have meant a massive increase in poverty,' according to former Minister of Economic Planning Otton Solis. International institutions, says Solis, 'took advantage of our desperation to impose an economic model that is nothing more than

a program of debt repayment'.

The Bank, claiming that small farmers are inefficient, pressured the government to stop supporting them. Credit was transferred to the new, export-oriented (and largely foreign-owned) agribusiness companies. And price supports were withdrawn. The National Production Council, which bought basic grains from farmers at inflated prices and sold them to consumers at low prices, was dismantled. Tax breaks and millions in subsidies were granted to the new agro-exporters.

That's why Fredy stopped growing corn - he couldn't get credit any more, nor a decent price for his corn harvest. It's also why a lot of his friends sold their farms. And it's the reason non-farmers, mostly foreigners, have covered the countryside with black mesh tents to reap the rewards of Costa Rica's heralded, non-traditional export boom.

Small farmers were told they too could receive state support - if they switched to the new export crops. But growing tropical house plants, for example, requires specialized technical knowledge; it also requires contacts in the US market place and an investment of about \$15,000 per hectare. That's far beyond the reach of small farmers; 97 per cent of them earn \$2,500 a year or less. They can't hire agronomists and marketing agents, let alone make the initial investment.

Still the farmers are not rigidly opposed to the new agriculture. 'We do not object to the idea of earning foreign exchange from new products,' says Carlos Campos, executive secretary of the Union of Small Producers of the Atlantic. The problem, he says, is that most Costa Ricans don't share in the benefits. 'Look at the Atlantic Coast; where there used to be small farmers there are now transnational companies.'

What angers Campos most is that the new agriculture jeopardizes Costa Rica's 'food sovereignty'. His country has the potential to easily meet all but a few of its food needs. Yet recently Costa Rica has begun to import staple items like rice, beans and corn.

The World Bank and other agencies argue that these crops can be grown more efficiently in the US. They contend that as



Luxury crops: fresh flowers for US export.

long as flowers or strawberries earn higher prices, there's a foreign-exchange advantage in exporting them and importing food. Carlos Campos doesn't buy it. 'We have,' he says, 'a slogan: "We don't eat flowers, we eat beans". We cannot sacrifice our meals, our independence, our dignity for a few dollars.'

Analysts point to other weak points in the non-traditional exports strategy. Most of the new agro-exports are 'dessert' crops, items which are often the first to suffer consumer cut-backs during a recession. A recession would also increase protectionist barriers.

There is also the potential problem of surplus supply. Virtually all the nations of Central America and many in the Caribbean are following the same agro-export strategy - often with the same crops. But how many snow peas can Americans eat? According to one estimate Central America and the Caribbean could easily supply a market ten times the size of the US in many of the new crops.

Critics say Costa Rica should know better. Three decades ago, agencies like the World Bank promoted a different

'Economic growth is the cornerstone of successful development and poverty reduction. The precondition for restoring growth in many countries is structural adjustment. In fact, the poor benefit from restructuring.'

WORLD BANK PRESIDENT BARBER CONABLE, 1990

agro-export: beef cattle for America's fast-food hamburger restaurants. The boom was short-lived and cattle ranching is now in decline. But the jungles and rainforests of the Pacific Coast were stripped (Costa Rica earned the title of having the highest deforestation rate in the world) and once fertile soils were left eroded and exhausted.

Now a similar ecological disaster is in the works on the Atlantic Coast. Growing blemish-free vegetables or perfect ferns for export to fussy Western consumers requires intensive use of fertilizers and pesticides. Not only are small farmers disappearing but so too is the vitality of their land, its flora and its fauna.

Others worry that World Bank policies are damaging more than the land. 'Our whole society is being transformed,' says Maria Eugenia Trejos, an economist at the University of Costa Rica.

Trejos worries that the World Bank is undercutting the country's political independence. 'There are conditions on everything we do,' she says. 'The Bank sets our price policy, monetary policy, subsidy policy, import policy, export policy, banking policy, agricultural policy and



Costa Rican farmers protest food imports.

so on. We are losing our sovereignty.'

Meanwhile, real minimum wages have declined and the rich-poor gap (relatively good for Central America) has become a chasm. The wealthiest ten per cent of the population used to enjoy an average income 16 times greater than the bottom ten per cent; now it is 31 times greater.

The result has been a resurgence in political activity and some of the most bitter demonstrations in decades. Thousands of small farmers have barricaded the Pan-American Highway and thrown rotten strawberries and melons onto the steps of the Central Bank to protest against structural adjustment policies.

Until now the social consequences of structural adjustment have been cushioned by the huge volume of US aid flowing into the country. But that is changing. Washington's paranoia about neighbouring Nicaragua has diminished and aid to Costa Rica has been slashed. Coffee prices are depressed and an oil-driven recession is causing most Costa Ricans to experience the same pain as small farmers. Social tensions are increasing.

In Costa Rica the World Bank applied its structural adjustment recipe to a country with a relatively high level of democracy, development and social progress. But for many Costa Ricans the outcome so far is increasing injustice, an undermining of the social foundations of democracy and a loss of sovereignty.

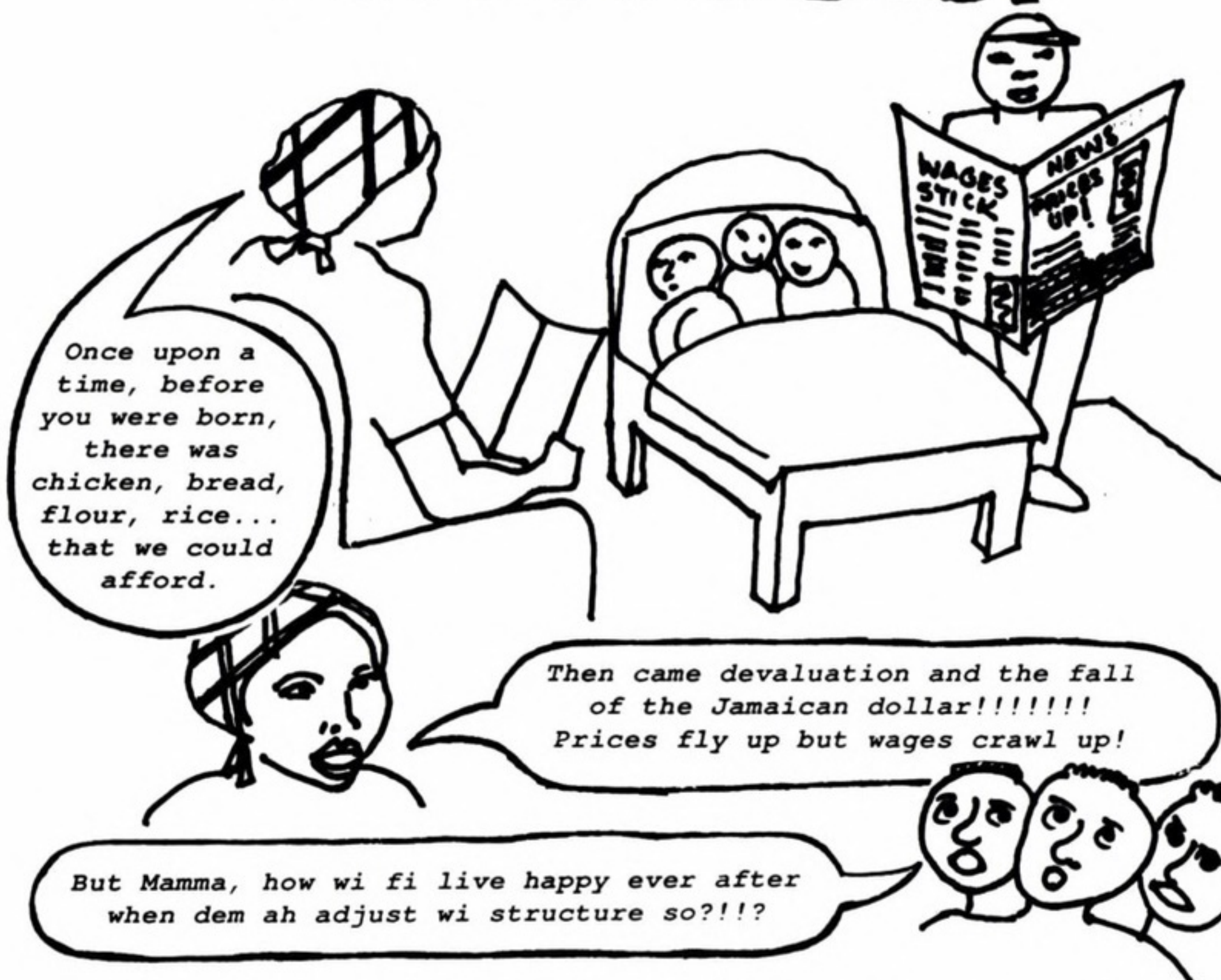
That's reason enough for some to begin opposing the schemes of World Bank technocrats. Carlos Campos has another reason. 'The World Bank says we small farmers are inefficient, that we should disappear. But there's something they haven't thought about. We want to be farmers. What they do not understand is that we refuse to disappear.'

Bob Carty is a Canadian journalist and broadcaster based in San Jose, Costa Rica.

Hagglers, higgler and empty stomachs

The World Bank has often paid lip service to the cause of women. So what effect have its policies had on the women of Jamaica? Joan Ross Frankson finds out.

A STORY OF LIFE AND DEBT



The cartoon story of Mamma's misfortunes that illustrates this article did the rounds in the poorer areas of Jamaica last year. It is crudely put together but deeply felt – Mamma's experience is typical of what has happened to the lives of ordinary women since Jamaica first fell victim to the structural adjustment medicine of the World Bank and the International Monetary Fund (IMF).

Back in 1977, Jamaican Prime Minister Michael Manley signed a \$74 million emergency loan agreement with the IMF. The following year the World Bank jumped in, demanding that the Government favour exports over domestic needs in exchange for loans to the Jamaica Public Service Company and the Sugar Industry Authority.

Since then the Jamaican dollar has plummeted and adjustment policies have turned the government deficit into a surplus. No doubt this is sweet music to World Bank ears. But for the vast majority of Jamaicans the bankers' policies have meant a sharp and painful decline in living standards.

Nearly a third of the island's households are led by women and another 60 per cent rely heavily on women's income.

The World Bank fails to take these key facts into account – yet at the same time its policies only work by relying on women's time and labour.

Cutbacks in health and education and the near collapse of the local garment industry have pushed a large number of

'Our special focus on women in development seeks to expand economic opportunities, while easing their burden in securing food, water and health services for their families.'

WORLD BANK PRESIDENT BARBER CONABLE, 1990

women onto the streets. But the export industry has not absorbed them. Officially the female unemployment rate is 26 per cent. But for those between 16 and 25 it's more like 70 per cent.

Women like Junie gather every morning outside the gate to Kingston's Free Trade Zone, hoping to get lucky. After standing for nearly six hours, she emerges

tired but hopeful. 'Only a few have got through since I came at eight this morning,' she sighs. 'I can't take any more of the crowd. I'll come back tomorrow.'

Workers in the Free Trade Zone are classified as unskilled so their wages are low – even though most are using in their jobs the sewing skills they have already acquired from their mothers and grandmothers. A 1988 survey found that two-thirds of them took home less than \$10 a week, after taxes and deductions. Fully 70 per cent had to work overtime to make enough to survive and 80 per cent were single mothers like Debbie.

Debbie has one child and her baby's father assists her with school fees. She earns about \$30 fortnightly. 'When it comes time for my draw down, I put it into the Credit Union and try to keep it for utility bills. But I'm always behind. Sometimes I have to do without light or water or gas and beg my neighbours until I can catch up.'

A lot of Debbie's 'free' time is spent on trying to stretch her dollars. 'I go to the market with a few dollars to buy essentials like seasoning, *callaloo* (greens) and the cheapest fruits. I go later in the day when the prices are lower; I check prices and haggle. It takes a lot of energy.'

Inside the factories, poor working conditions are compounded by having to chase ever-increasing production targets in order to make a little more than the basic wage. Mondays to Saturdays, Joyce works at a Free Trade Zone factory. On Sundays, she earns five dollars washing and ironing. She supports her two children and her mother. Massive increases in the cost of basic drugs hit Joyce hard. 'It costs about \$18 a week to fill my mother's prescription. I never know where the money is coming from.'

While the cost of health care has soared, the service itself has declined sharply as a result of the severe government cuts insisted on by the World Bank. Take the experience of Carlene, a 19-year old who had her first child at Jamaica's only specialist obstetrics hospital, Victoria Jubilee. Days later, when I interview her, Carlene is still in profound shock. All she can do is regard her baby boy with blank, lustreless eyes.

'I was bawling out "Nurse, nurse". Then I felt the baby's head and I made up my mind: if it's death, it's just death. So I pushed and the baby was born. Then we just lay there and waited. A long time after, the nurse came and cut the cord.'

Carlene's case is not unique. Of the 40 or so daily births at Victoria Jubilee, more than half are unattended. Matron Roslyn Flash has been at Victoria Jubilee for 30 years. 'I have never seen things so bad.' The cuts in the health service have come at just the wrong time. As farmers produce for export there is less food available for local people. And as nutritional standards have fallen, health problems have increased. According to a 1985 study,

nearly 15 per cent of children under five suffer from malnutrition. The result? Measles and previously eradicated diseases like malaria and typhoid have bounced back, putting more pressure on the system – and the nation's Mammass.

Education is in the same boat. With nothing in their stomachs, it's hard for children to concentrate and learn. Many don't make it to school at all. A good gauge is the number of school-age children cleaning windcreens at traffic lights during the day. Teachers are also leaving the system in droves with the resignation rate running as high as 30 per cent a year. As teaching standards have fallen so too has the performance of students. Only 30 per cent of those who wrote Caribbean Examination Council exams in 1989 passed – a new low.

Emigration – now 30-40,000 people a year – is a main avenue of escape for nurses and teachers who can get a visa to the US or Canada. Others have joined the burgeoning 'informal sector' which has risen from just over 5,000 in 1972 to more than 300,000 people today.

For 'higglers' (women street vendors) who travel to Panama, Miami or Curacao to buy goods for sale back home, the complaint is taxes. After 15 years as a higgler Letilda complains: 'Customs duties are so high it's as if you are buying the goods twice. And if you bring back a little present for the children, they charge you for that too. We're not criminals. We can hardly survive on what we earn. I think they should tax the big people more. They're the ones who benefit from all the foreign loans.'

So far the women of Jamaica are coping with the moral and social decay that structural adjustment has brought – the brunt of which they bear. But they are also fighting back.

Recently, housemaids, assisted by the Bureau of Women's Affairs, have begun to organize a trade union for themselves. And women in the Free Trade Zone have also demonstrated on several occasions, forcing the Government to investigate their working conditions. Another group of unemployed sisters has started an urban farm deep in the heart of a Kingston ghetto.



Kids on the streets: no money, no school.

And over 60 of the island's estimated 120 women's groups have formed an umbrella organization for greater unity.

By imposing structural adjustment policies on Jamaica the World Bank and its IMF partner have reversed the old rule about women and children being saved first. In this harsh new ocean there are no lifeboats – and women and children must simply sink or swim.

Joan Ross Frankson is a Jamaican journalist working with the *Sistren* theatre collective.

Photo: Peter Stalker

In the mid-1970s, I spent a lot of time around the World Bank's Washington headquarters. This wasn't as difficult to do as it is today. Nobody was threatening to bomb the offices, much less steal documents. It wasn't a bad place to be either. They paid glorified photocopyers as research assistants and you could get a full, roast-beef lunch for \$1.75.

In any event, back then the Bank was in its heyday. Bob McNamara had just left the Pentagon and was turning the Bank into a \$10-billion-a-year lending outfit. And the 'think tanks' on Massachusetts Avenue were making it out to be the saviour of the development set. New sectors – education, health, rural and urban development – were being emphasized. This supposedly meant more money for the poor – without, of course, diverting any from all the academics, consultants (like myself), contractors and bureaucrats who worked in and around the major aid institutions.

Something, however, was wrong. For all the new talk about poor people, there didn't appear to be a lot of respect for them. Or at least it didn't seem to be important to listen to what they had to say – to hear about what they were doing, what they needed and what was being done to them. With so much money to spend, so many problems to solve, such great responsibilities to shoulder, there was no time for such mundane pursuits.

My colleagues and I started getting out

THE ART OF POVERTY

Doug Hellinger reflects on the World Bank's latest preoccupation.

'in the field', working with the few risk-takers on the Bank staff to demonstrate how to build on what people were actually doing. Everywhere we found evidence of Bank-supported projects that had been imposed on the poor; governments and implementing agencies that couldn't give a damn about intended beneficiaries; too much money being pushed too fast into projects that were too big, with too many foreign consultants and contractors.

It was during this era that the Bank co-authored a high-profile study called *Redistribution with Growth*. In a critical review, an Indian journalist reputed to have previous ties to the Bank accused the institution of helping 'retrograde regimes' increase the power of the wealthy and worsen income distribution. The Bank, he wrote, had always considered those who promoted distributive goals as 'idiots or, worse, dangerous subversives'. Now it was arrogantly instructing the rest of us on the roots of global suffering. He suggested a new title: 'How the World Bank Came to Discover Poverty'.

All this came rushing back to me the other day when I received my copy of the Bank's latest *World Development Report*. I knew the Bank was concerned about deflecting mounting criticism of the disastrous structural adjustment programs it has been pushing on debt-strapped Third World countries. But I wasn't prepared for what greeted me.

The word 'POVERTY' jumped off the cover in capital letters, against a dramatic black background. Had the Bank, in fact, rediscovered poverty? Was it telling us that it had somehow lost its bearings over the

years, that it had forgotten that there were poor people out there, that the 'magic of the market' worked miracles only for the rich and for corporations looking for cheap labor, ready resources and new markets?

I read 143 tedious pages searching for some sign of mea culpa, some indication that the Bank understood its contribution – especially during the 1980s – to world poverty. But not a trace of it. Instead the Bank is again instructing its critics – those idiots and subversives who know nothing about economics – on poverty and what to do about it. One of the main discoveries seems to be that investing in human capital is a good thing.

This revelation comes from the same people who have insisted on slashing health and education budgets, food subsidies, wages and jobs around the world. The same people who told us that economic 'adjustment' would take only a couple of years and who originally gave little thought to its impact on the poor.

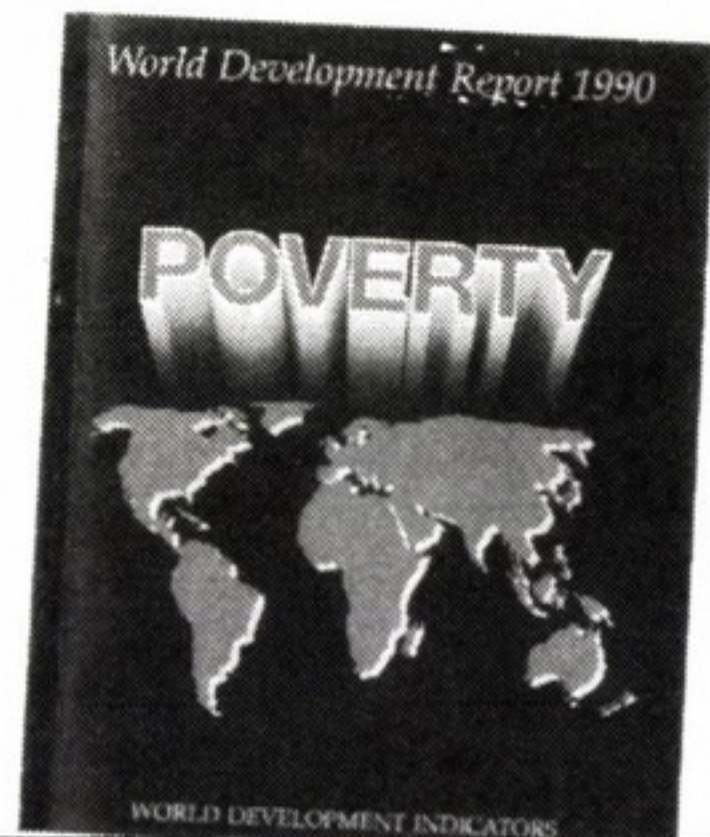
Even today the Bank insists that countries in the South compete against one another for Northern markets that are essentially closed to them. It hectors them to produce goods that sell in world markets at rock-bottom prices. And it forces them to ravage their environment and allow their poor to go hungry in pursuit of this dead-end export strategy.

The new *World Development Report* shows that the mistakes of the past decade are still unrecognized. The recipe for the 1990s? More adjustment. That's the bottom line of the 'Poverty Report', all frills removed.

Should we – should the poor – have expected any more? Not from these guys. Not from an institution that, rather than listening to the poor, takes its cues from the money markets and investment bankers in London, New York and Washington.

After all, where better to learn the art of creating poverty?

Doug Hellinger is Managing Director of the Development Group for Alternative Policies



1930s

Beggar-thy-neighbour

The 1930s was a decade of terrible financial turbulence with bankruptcies, massive unemployment, hunger marches, rampaging inflation and the rise of fascism. Faced with economic chaos governments tried to recover by boosting exports, even if they had to devalue their currency and slash imports. Global trade skidded to a halt. Between 1929 and 1932 the total value of international trade fell by more than 60 per cent. With currencies constantly being devalued people lost confidence in paper money and began to demand payment in gold. Nations without gold reserves soon abandoned the gold standard which caused even greater confusion. The result was the 'Great Depression'.



Simply...

Voodoo Economics

A thumbnail sketch of the global finance system and just where the World Bank fits in.

1940s

War is good business

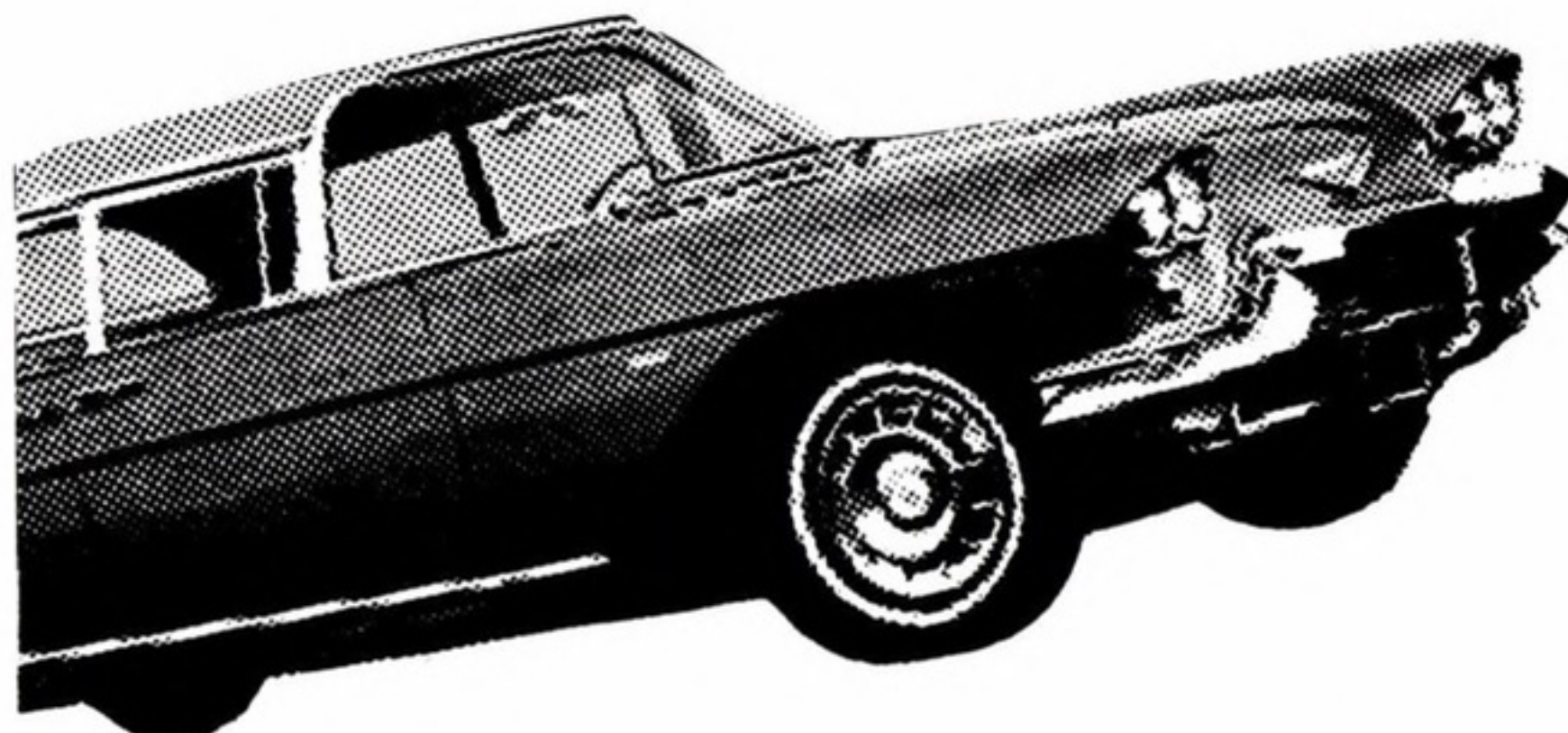
Weapons production for World War Two started the mills and factories humming again. When the end of the conflict in sight the Allies (especially the Americans and British) were determined to smooth the way for continued economic growth and avoid another depression. At a 1944 meeting in Bretton Woods, New Hampshire, they hammered out a framework for economic stability. It was agreed that member states should fix the value of their currencies in either gold or the US dollar equivalent.

The conference set up both the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) – otherwise known as the World Bank. The IMF's job was to maintain stable exchange rates, reduce barriers to free trade and help members deal with temporary trade deficits. The Bank was to finance long-term development projects, initially in war-ravaged Europe and Japan. In 1946 the General Agreement on Tariffs and Trade (GATT) was formed to run the international trading system and to settle trade disputes between member states.



1950s

Boom and gloom



Nervous about Soviet expansionism, the US launched the Marshall Plan to help rebuild Europe and Japan as bulwarks against the spread of communism. From 1948-52 nearly \$12 billion (five per cent of the US GNP) went into post-war reconstruction. The IMF and the World Bank threw in another \$3 billion. The 'Red Scare' and the Korean War helped boost US military spending and heat up the US economy even more.

This was America's golden decade of consumerism: TV dinners, giant fin-tailed Chevrolets and cavernous refrigerators. By the late 1950s Europe and Japan had recovered from the wartime bombing. Modern factories supplied local markets and began to look overseas for export opportunities. Naturally this included the ex-colonies with which industrial powers had a special relationship. Western-based multinational corporations expanded into Asia, Latin America and parts of Africa. Meanwhile the US flooded sensitive Third World countries with aid to undercut the success of Castro's Cuba. This was the era of 'Pax Americana'.

1960s

Decolonization

By the 1960s much of the Third World had won political independence from former colonial rulers. But not without a fight. The French fought bitter wars in Vietnam and Algeria, the Portuguese dug in against liberation forces in Angola and Mozambique and the British fought rearguard actions in Kenya and Aden. But political sovereignty did not bring economic independence. Even Latin America (which achieved independence more than a century earlier) was caught in a global economic system established over centuries of colonial pillage. Raw materials were exported at cut-rate prices while manufactured goods were imported from ex-colonial powers.

As the decade progressed the World Bank, USAID and other Western aid agencies pumped billions into the Third World in the name of development. The money was earmarked for big projects like roads, power grids, dams and ports, all of which were to pave the way to future prosperity. With such vast sums floating around, corruption, aided and abetted by cynical Western business, began to flourish.



1970s

False promises

The price the Third World received for basic exports went up and down like a rollercoaster; most of the time it was too low to cover the cost of manufactured imports. Then OPEC (the Organization of Petroleum Exporting Countries) discovered the power of collective action. In 1973, OPEC agreed the price of oil (the lifeblood of Western society) was too cheap. Within a year the oil-exporting nations quadrupled the price. Arab oil dollars were then deposited in Western banks which were desperate to reinvest them.



And Third World leaders were keen to oblige: interest rates were low and terms easy. Money was needed to cushion the blow of high oil prices and pay for grandiose mega-projects, whether a nuclear reactor in the Philippines or Mirage jets in Peru. Commercial bank loans to the Third World increased by 550 per cent from 1973-80.

The general economic buoyancy of the decade was reflected in the slow but steady rise in the price of Third World exports. In this up-beat atmosphere leaders like Michael Manley of Jamaica and Julius Nyerere of Tanzania called for a New International Economic Order, a Code of Conduct for multinational corporations and a Common Fund to insulate Third World commodity producers from the vagaries of the global market. It was a heady time indeed. But not for long.

1990s

Recolonization

By 1990 SAPs were in place across much of the Third World. The result was a massive haemorrhage of wealth from the poor nations to the rich – an estimated \$50 billion in 1985 alone. Cooperation between the IMF and the World Bank has meant that Third World nations continue to pay the interest on their debts even as they accumulate new ones. The social effects have been devastating: increased malnutrition, illiteracy, infant mortality and poverty. UNICEF estimates a half million children died in 1988 alone as a result of debt-induced austerity measures.

World Bank and IMF staff now exert more power in some Third World countries than government ministers. There is little proof their policies do anything more than help bankers collect interest. In fact competition for scarce export markets holds down prices and depresses wages. The main winners have been Western consumers and multinational corporations who benefit from both low commodity prices and low Third World wages. Resentment is growing in the poor nations as World Bank/IMF policies increase the drain of wealth from South to North and reinforce the inequality of the global system.



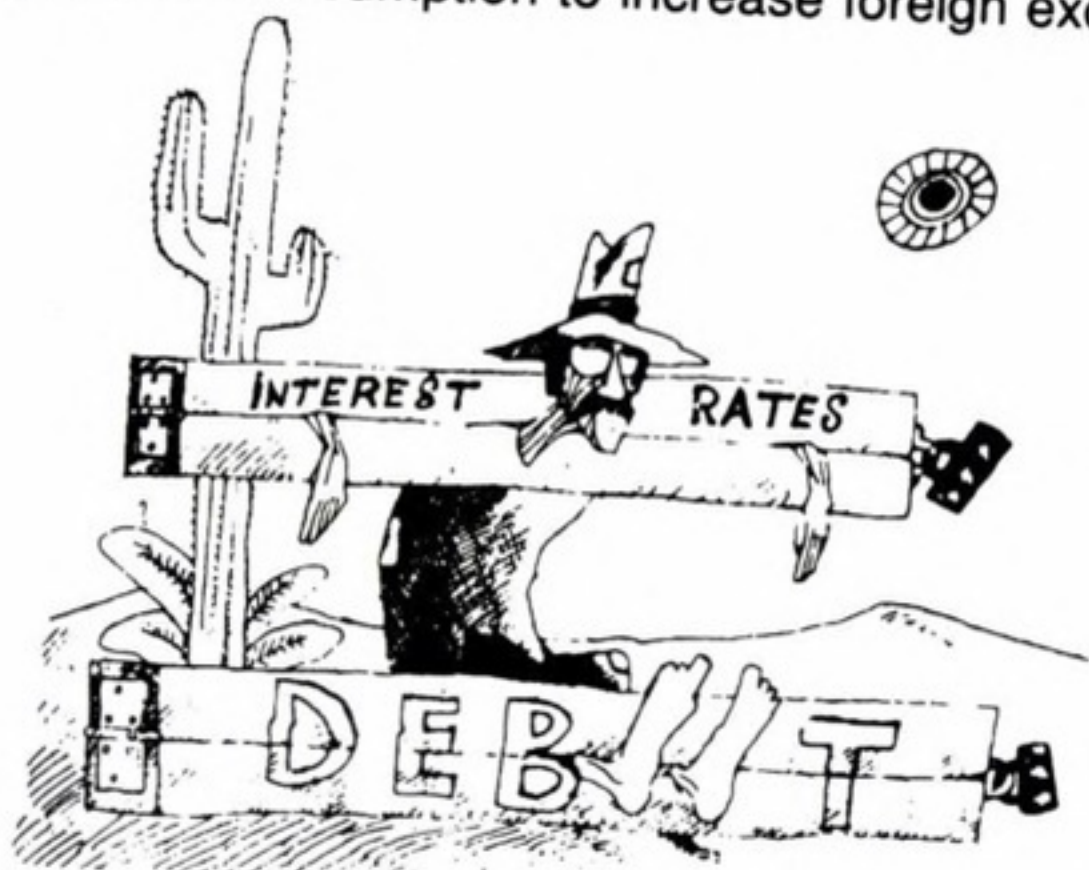
1980s

The debt trap

When OPEC bumped up oil prices again in 1979 the new economic doctrine of monetarism became fashionable. Inflation was fought with high interest rates, unemployment and a deliberate recession – which eventually triggered the debt crisis of the 1980s. Third World commodity prices fell as Western markets collapsed; the rapid rise in interest rates doubled and in some cases tripled the cost of debt service. By 1985 the combined Third World debt hit a trillion dollars.

So where did all the money go? A lot was squandered on weapons, but much more was pocketed by local elites and diverted into overseas bank accounts. The capital flight from Mexico alone from 1979-83 is estimated at \$90 billion – more than the entire Mexican debt. The recession made global money managers nervous. New loans were being contracted simply to meet interest payments on past debt.

When Mexico refused to service its debt in 1982 the IMF jumped into the fray with the first of its 'structural adjustment' loans (SAPs). To pay foreign creditors, debtor countries were advised to boost exports and cut local consumption to increase foreign exchange earnings. As more countries were forced to take the IMF medicine, the World Bank also entered the structural adjustment business. By 1988, nearly a third of World Bank loans had strict conditions attached.





Reaching for riches

Lured by the seeming bounty of the West, Poland has leapt with almost a single bound to embrace the capitalist policies advocated by World Bank economists. But what will be the end-product of this shock treatment? Daniel Singer reports.

Ten years ago, in the glorious summer of 1980, workers in Gdansk gave Eastern Europe an example by winning the right to set up an autonomous, independent union – Solidarity. Now the Poles are pioneering again, setting the pace for the countries of the former Soviet bloc on the road towards capitalism. And they are doing this with the blessing not only of the Pope but of the World Bank and the International Monetary Fund (IMF), the joint keepers of capitalist financial orthodoxy.

It would not be quite accurate to claim that these international doctors have imposed their bitter medicine on reluctant Poles. The Government, headed by Tadeusz Mazowiecki, the wistful-looking former adviser to Solidarity, was chosen with the full backing of the population. And its deflationary package bears the name of Leszek Balcerowicz, the monetarist Minister of Finance.

But beggars apparently can't be choosers – Poland after all owes nearly \$43 billion to Western creditors. Once it openly opted for capitalism and pinned sanguine hopes on foreign investment, the backing of the Bank and the IMF became crucial. Not so much because of the funds they offered directly but because their blessing was required to keep creditors quiet and to convince investors that Poland is safe for capital.

The arguments of international finance helped the monetarist advocates of a 'shock therapy' win the day. Now, as Poles debate the fate of state-owned enter-

prises, the same people, the partisans of privatization, argue that the old dreams of Solidarity about workers' self-management are anathema to world bankers. This is the sense in which, if the plan is Balcerowicz's, the Bank and the IMF can be considered as co-authors.

But maybe it's all to the good for the Poles? Backers of the plan used to boast that bananas in Warsaw markets (once an exotic and unobtainable fruit) symbolized the arrival of plenty. Yes, you can buy bananas. You can also purchase champagne, a BMW or even an elegant apartment in the heart of Warsaw, provided you have the money. Under the previous

'The countries of Eastern Europe will continue to need strong financial and technical support in their efforts to develop competitive, market - orientated economies.'

WORLD BANK PRESIDENT BARBER CONABLE, 1990

regime, the shelves were empty and the lines long as people waited to pay for fast-vanishing goods. Today the shelves are full and the lines short because most Poles can't afford to buy anything. The Poles are learning the Western method of rationing, the rationing of the purse.

By World Bank criteria, one may make

a case for the Polish experiment. The shops are full. Inflation has slowed down. Imports were drastically cut and in the first half of this year Poland had a surplus of over two billion dollars in its trade with the West. The mighty dollar, which used to walk all over the Polish currency, has been kept stable at just under 15,000 zlotys. A record to boost the ego of the advisers, the international financial wizards.

But the other side of the balance sheet tells a different story. This performance was achieved thanks to a slump, a dramatic cut in living standards and a spectacular rise in unemployment. By keeping wages in check and allowing prices to soar, the authorities reduced real wages by 38 per cent in the first six months of 1990. Industrial output then fell by about 30 per cent. Unemployment went from nearly nothing to 700,000 by the end of July (it is expected to double by early 1991 to nearly ten per cent of the labour force.)

This is Poland's real monetarist 'miracle'. It says something about the Poles' dislike of their previous 'socialist' regime and their gratitude to Solidarity that the Mazowiecki Government could preserve a degree of popularity after more than year of such a performance.

But how long their gratitude will last is anyone's guess. No wonder Warsaw wits have revived the old story about the man who was teaching his horse to fast. Asked several weeks after about the success of the experiment, he bitterly complained: it was proceeding quite nicely, the horse was getting used to eating nothing when the stupid animal just went and died.

The Poles are not literally threatened with starvation, though in a country where 60 per cent of the income is spent on food (and 80 per cent in the case of pensioners), the new increases in the cost of rent or fuel prices may do real damage to the health of the nation. But more generally, if the current policy is pursued much longer the country will be threatened not only with economic disaster but also with possible political bankruptcy.

After Solidarity's electoral triumph more than a year ago, Lech Walesa proposed Tadeusz Mazowiecki, his adviser, as Prime Minister. That he now apparently winces whenever an opinion poll puts Mazowiecki's popularity rating higher than his own is anecdotal. More serious is the dilemma the former hero of Gdansk now faces. He rose to fame as a labour leader and is still, in principle, the head of a trade union. But he is also sponsoring a regime whose policy is hurting the basic interests of his supporters.

In a moment of candour Walesa admitted that if Solidarity were still only a union it would paralyse the country by strikes. However, as a potential 'national saviour' it has softened its line. And there may be a heavy price to pay for this contradiction. Poles still vote for Solidarity as a movement, but workers no longer trust it as a labour union. Membership has skidded

from ten million members in 1981 to fewer than two million today. Its leader was thus driven to criticize the Government. Unable to attack it on essentials, he blamed it for not acting fast enough. But what was it supposed to speed up: the cut in real wages or the rise in unemployment?

When you can't wage genuine campaigns, you invent phony ones and the attack on the 'lay Left' is a good illustration. It takes a great deal of fantasy to describe as leftist a government reviving primitive capitalism, big social differences and high unemployment. It is true that within the intelligentsia, the jingoists and racists tend to rally around Walesa and the more liberal ones around Mazowiecki. But can you describe as 'lay' a government that has just reintroduced religious instruction in schools and is getting ready to criminalize abortion and render divorce more difficult? Would the Catholic Church ask for much more if Cardinal Glemp were the prime minister?

More worrying still are the echoes of anti-semitism. In the current phony battle between the Walesa and Mazowiecki camps allusions are made to the 'origin' of some of the protagonists amid open claims that 'true Poles' are Catholic. This is a symptom of something deeper, a sign warning how far irrational forces can go if rational progressive solutions are missing. It is also a far cry from the glorious days when Solidarity, with its mighty labour movement and dreams of self-manage-



Poland before 'shock therapy': now it's full shelves, short queues and empty pockets.

ment, seemed to be looking for an alternative to both Stalinist repression and capitalist exploitation.

On paper democracy is flowering in Poland. By the time you read this the Poles will have elected either Walesa or Mazowiecki as President through universal suffrage. By the spring, having altered the electoral system itself, they are supposed to choose a new parliament. But beyond the political personalities lies a more worrying question: will the economic crisis lead to an explosion and what will be its outcome?

The Polish workers rediscovered their strength in bloody battles and they will not forget it. They got rid of neo-Stalinist rulers imposed by Moscow. Sooner or later, they will dispose of their new masters and the Western bankers who inspire them. For this they may need to discover the pitfalls of capitalism and they are

clearly getting a crash course.

But in the mean time anything can happen. Socialism is discredited. Discontent is rising. A populist backlash may lead, with or without explosion, to a dictatorship. If Poland, after a brief democratic interlude, returns to an authoritarian regime, the blame will have to be put not only on the present Polish pipers, but also on the world bankers who, without paying much, are calling the tune. Yet in one respect the pioneering Poles are again serving as an example. In showing the consequences of a headlong rush towards capitalism they are writing, for Eastern Europe and beyond, a highly eloquent 'What is Not To Be Done'.

Daniel Singer is European correspondent for the US newsweekly *The Nation*.

Photo: Bruno Barbey/ Magnum

Marcel Masse, head of Canada's foreign aid agency, CIDA, relaxed at the committee witness table. The former International Monetary Fund (IMF) technocrat had just delivered a vigorous defence of structural adjustment policies in the Third World and was preparing himself for questions.

'It seems we have two alternatives,' said opposition critic Bill Blaikie. 'Structural adjustment, in which, as we know, children die; and no structural adjustment, in which, according to Mr Masse, more children die. For God's sake, is there not some way we can have a program where children do not bloody well die to satisfy the economic assumptions and doctrines of the international marketplace?'

A hush fell over the Canadian parliamentary committee. 'I can only agree,' Masse whispered. 'I have children too. However I am a pragmatic man who has to deal with the policies I have.'

Structural adjustment has been a pillar of Canada's aid policy since the mid-1980s, when it 'trickled down' from the World Bank. Masse's appointment as CIDA President confirmed it as the economic medicine of choice both domestically and abroad.

At CIDA the push has been to get aid recipients to bring their economies into harmony with global market forces. Masse dominates CIDA Minister Monique Landry with his knowledge of development and shrewd understanding of Canada's government bureaucracy — where he once held the top job as Clerk of the Privy Council. He also knows CIDA intimately, having been its president a decade ago. Since his return as Canadian Executive Director of the IMF,

STRONG MEDICINE

What the World Bank thinks may be as important as what it does.

Christopher Neal finds that Canada's aid policies slavishly follow the Bank's guidelines.

Masse has been tireless in preaching the structural adjustment gospel.

It is a switch for Canadian aid philosophy and for Masse. In the 1970s the government emphasized social justice, participation and 'basic needs'. Now CIDA, according to an internal agency document, accepts the World Bank-IMF 'definitions and leadership on structural adjustment as the only sensible way to proceed.'

'There's a broad consensus that the issue is not whether structural adjustment is good or bad,' said one Canadian official, 'Everyone agrees it is good. The question is how to make it better.'

Critics argue that government promises to 'put poor people first' are sabotaged by the commitment to adjustment. Tim



Brodhead, director of the Canadian Council for International Cooperation and a keen World Bank observer, sees CIDA's infatuation with structural adjustment as part of a trend affecting most Western aid agencies. 'The World Bank has a newfound intellectual dominance of development thinking', he says. It now sets the agenda on international cooperation for the other UN agencies.

The US and UK lead the charge at the Bank in favor of market forces. Morris Miller, Canada's Executive Director at the Bank during the early 1980s, says US muscle is flexed not by exercising its vote but by its tactic of holding up general capital increases.

'Everyone has to pretend that they favor free markets and monetarism,' Miller says. 'There's always pressure to placate the Americans. I don't think the Canadian government gave a damn when they supported structural adjustment. They just wanted to support the US, who only wanted to help the banks get their debts serviced.'

This sycophantic approach faces a challenge from the parliamentary committee Masse tried so hard to win over to World Bank-IMF analyses and prescriptions earlier this year. The all-party sub-committee on international debt recommended that 'Canada use its position to advocate major changes in the way that the international financial institutions respond to the debt crisis of developing countries'. Structural adjustment, the report concludes 'has been tried and found wanting'.

Christopher Neal is an Ottawa-based writer specializing in aid and development policy.

ARGENTINA

Perónized

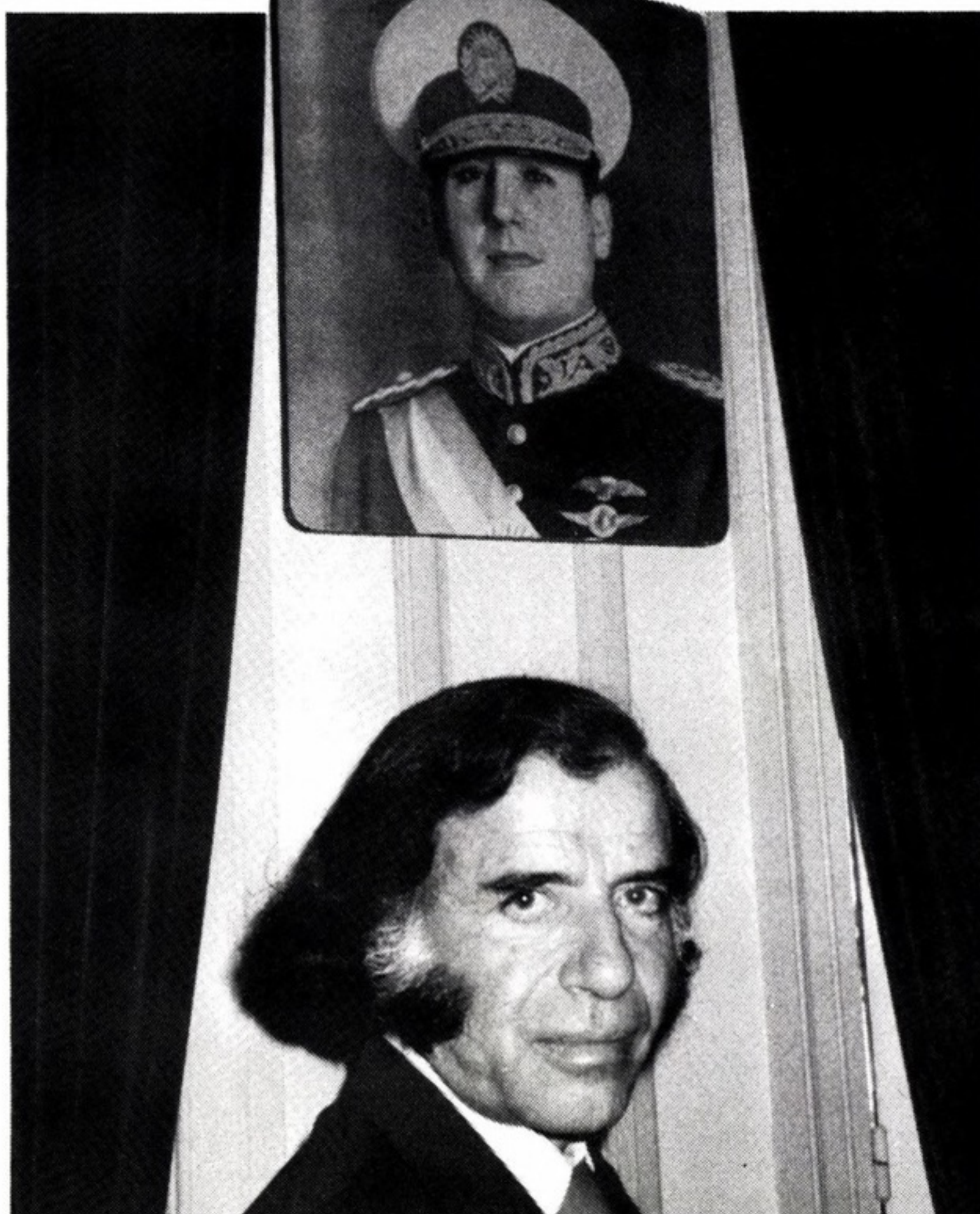
Debt scheme opposed

WITH its designer shops, well-dressed designer citizens and fashionable cafés and restaurants, downtown Buenos Aires is much like any European capital city. A quick stroll through the wretched *barrios* around the centre of Buenos Aires, however, very quickly brings back the reality of Latin America – a continent crippled by debt and haunted by poverty.

More than a quarter of Argentina's 12 million workforce is either unemployed or working short time. Inflation rages away at a monthly 14 per cent, despite an agreed IMF target of two per cent. Public health, education, housing and other social services have long since passed the point of bankruptcy.

Now the disaffected underclass of Buenos Aires is finding a focus for its discontent. There are two sources of hope. One is the return of Maradona to Boca Juniors football club. The other is the figure of Juan Domingo Perón, the neo-fascist dictator who, with his wife Eva, ran Argentina in the 1940s.

Images of Juan and Eva Perón are everywhere. The Peronist culture is a violent mixture of right-wing working class belligerence and radicalism. Leaders of Peronist trade unions, like Hector Esquivel of the



President Menem: heir apparent in the shadow of Juan Perón.

Telephone Engineers Union, are now beginning to condemn President Carlos Menem's espousal of modern capitalism with fierce rhetoric and a clear appeal to the nationalism and anti-Americanism that runs through the whole of Latin American political life.

For the past year controversy has raged around Carlos

Menem's privatization programme. Menem was elected on a Peronist ticket. Now he is hoping to clear some of Argentina's debt by exchanging it for stakes in state monopolies like Entel, the telecommunications company. These monopolies were created by Perón as part of his plan for 'national integration', Argentina's own brutal version

of National Socialism.

As the agreement to privatize Entel was signed, the unions claimed that Argentina was effectively being sold to US bankers. They say Menem is a traitor. There is talk of a campaign of industrial disruption to exhaust Menem's administration. 'We are not in the mood for turning back,' says Hector Esquivel. 'We shall never abandon the flags of Perón.'

So far Menem has had no opposition to contend with. The Radical Party of former President Raul Alfonsín is thoroughly discredited. Hardline Peronist opposition has been muted. But the unions say that Menem 'is about to be tested'.

Exchanging debt for shares in privatized state industries is seen by nearly all Latin American countries, of both right and left, as one way out of the debt spiral which is responsible for the economic paralysis of the continent. As the Peronists regroup under their old banners the appeal to the poor and disaffected of Argentina is obvious. The Peronist hatred of the 'Yankee mentality' and fear of foreign influence resonate across the whole of Latin America.

For the poor of Argentina, homeless urchins in the *barrio* or the unemployed dockers in the port area of La Boca, the Peronist unions seem the only hope. The way forward is also the way back.

Andrew Hussey

Photo: Hugh O'Shaughnessy/ Camera Press

CHINA

Rebellion

Separatists suppressed

UNREST is breaking out among China's minorities. Last April the authorities successfully crushed a planned separatist rebellion in the north-western province of Xinjiang. 'Ideological work' is now being carried out among the



Kashgaris are re-educated.

largely Muslim population and many 'counter-revolutionaries' have been rounded up. But the issues which caused violent clashes in the small city of Baren, near Kashgar, continue to present a serious problem for Chinese leaders.

Formerly known as East Turkestan, Xinjiang became part of the Chinese empire in the nineteenth century. Its name means 'new frontier'. Its people are largely Turkic with origins in the Middle rather than Far East. Uyghurs are the largest minority group, but others also live side-by-side with the Han Chinese. All the indigenous people resent Chinese rule and small-scale uprisings occur regularly.

The April uprising was sparked off when a member of a separatist group was questioned about the purchase of a number of horses in the local market. There were violent clashes with

Chinese police and offices housing family-planning bureaux were attacked. The one-child-per-family policy is deeply disliked by the minorities.

In Kashgar, their cultural centre, the minority of Chinese is getting bigger. The non-Muslim 'irreligious' Han want to curtail the building of Mosques.

The city was closed to foreigners for weeks and some parts of the region are still difficult to enter. The official death toll of 26 is open to question, and it is unclear how many arrests were made. Teachers and other intellectuals had to attend political study sessions during their summer vacation. Many students were unable to return to their families for the Muslim festival of Corban in July because they had to attend official 'social practice' sessions in factories and farms. Here they were required to assert their allegiance

to the Party rather than Islam in verbal and written statements. Even school children had to undergo 're-education' and their elders were told not to go to the Mosques.

Law and order have been restored, and so has tourism. But few believe in the Party propaganda. Cynicism is common, as elsewhere in post-Tiananmen Square China.

Not so far from Kashgar lies Russia, with its own Uyghur community and other related minority groups calling for independence. Other Muslim 'brothers' are close by in Afghanistan and Pakistan. Separatists may look to them for support. If the 'ideological work' fails and the call of Islam grows stronger, the Chinese Government can only face further rebellions in this troublesome region.

Ruth Cherrington

Photo: Ruth Cherrington

LITERACY

Bookless

Tanzanian readers left empty-handed

TANZANIANS have the highest literacy rate in Africa but hardly anything to read. Soaring paper costs and interest rates have brought the publishing industry to a virtual standstill.

Says Abdullah Saiwaad, acting general manager of the East African Publishing House: 'It is more profitable to sell tomatoes than to publish books'.

Educators who have spent years teaching adults to read and write Kiswahili in the shade of trees are disillusioned. They fear the publishing crisis could undermine the achievements of a 20-year literacy campaign. Schools have also been hit hard by the book shortage; in Dar es Salaam one textbook has to be shared among 13 pupils.

At the time of independence in 1961 less than 10 per cent of the population was literate. A concerted effort was launched to boost literacy and extend knowledge of a unifying language – Kiswahili – in a nation that spoke



No shortage of writing but nothing to read for Tanzanians.

120 different tongues. The campaign was a great success.

But only six new children's books have been published since 1986, Education Minister Amram Mayagila told the National Assembly recently. Four of them were published by his own department. Newspaper circulation and quality have fallen while prices have risen in

response to increases in the cost of newsprint.

Publishers have mountains of material waiting to go to the printers. Thomas Kamugisha, a veteran publisher, says manuscripts can gather dust for seven years before a publisher has the funds to proceed.

The Southern Paper Mill, built in 1985 in the Mufindi dis-

trict with aid money from Sweden and elsewhere, produces paper that is more expensive than imports and is often damaged beyond use when it reaches Dar es Salaam, 640 kilometres away.

The Publishers Association of Tanzania (PATA) has appealed to the Government to help make books affordable and subsidize paper costs. PATA would also like the Government to set up a book development council.

The disbanding of the East African Community in 1974 and the closing of the Tanzania-Kenya border in 1977 brought an end to the East African Literature Bureau, the only organization promoting and publishing books in the vernacular of the region.

An annual book fair held in Dar es Salaam during the second week of September always highlights the pathetic state of the publishing industry. Last year, a book-starved crowd of 150,000 turned out to see what little was on offer. In a country where publishers cannot afford to print books and readers cannot afford to buy them, books are now regarded as another scarce commodity.

Ahmed Merere/Panos

MIDDLE EAST

Stoned

Bob's 'Intifada Tour'

IN many of the Jerusalem and Tel Aviv youth hostels there are hand-lettered signs offering an 'Intifada Tour' for 60 shekels (\$30). The itinerary – illustrated by Polaroid snapshots glued to the board – lists several historical and religious sites in the West Bank, but no further information about the nature of the tour.

The leader of this tour turned out to be a self-proclaimed 'Ten-year Vietnam Special Services

Veteran' named 'Bob' with a specially-fitted van – thick plastic windows and nets to repel all projectiles – a rather large Galil assault rifle and a strong urge to 'kick ass'. Formerly a New Yorker, Bob is now a born-again Zionist living in Kiryat Arba, the West Bank settler colony near Hebron; he makes his living by giving tours and by working for the Israeli equivalent of the Special Services.

Bob hyped the tour in 'safari-among-the-natives' language. 'We are,' he proclaimed grandly, 'about to drive through the deepest, darkest parts of the West Bank.' And, although he warned

us that he had earlier lost one van to a Molotov cocktail, with proper precautions we need have no fear: 'I haven't lost a tourist yet.'

The tour consisted of a mesmerisingly relentless 'Greater Israel' monologue – history, propaganda, martyr stories, aspersions on the Arabs and justifications for the annexation of 'Judea and Samaria', as Bob was prone to call the West Bank. He badgered refugees at the Deheisha camp to 'tell us what the Jews did to you,' an unlikely invitation from a 280-pound man driving a van with Israeli plates and an assault rifle propped up on the front seat. With this rifle we blasted wilderness rocks. Everybody who wanted to get a turn and most were photographed in action.

At the tomb of Rachel – wife of the Patriarch Jacob – near Bethlehem, Bob tried to provoke an argument with an Israeli guard who admitted, somewhat sheepishly, that he would trade West Bank territory for peace, 'if we really could get peace'. Bob showed his disgust for this attitude: 'If we can't live where our mother Rachel is buried, where can we live?' He seemed more at home in the modern but small

Kiryat Arba shopping mall, where we stopped for a pizza. Most of the inhabitants within earshot seemed to be speaking not Hebrew but broad New Yorkese English.

In sullen Hebron, Bob again showed his machismo, directing our group down narrow alleyways as he slid ahead with his rifle, mechanically checking all windows and corners for potential 'enemy fire'.

On the road again, our van inevitably made a large and obvious target for Palestinian youths with stones. When the first reverberations of rock-on-plexiglass rattled the van, Bob not only wasn't fazed, he was positively illuminated with glee. He braked sharply and tried to chase the youths with the van while shouting to his seven passengers: 'Get your cameras, get your cameras! Let's get some pictures of some real Intifada action!' The tour participants scrambled for their knapsacks, thrilled at getting their money's worth.

Later, as we drove back to Jerusalem, Bob exulted that we had all 'won our spurs' and could 'tell folks you got stoned in the West Bank'.

Percy Toop



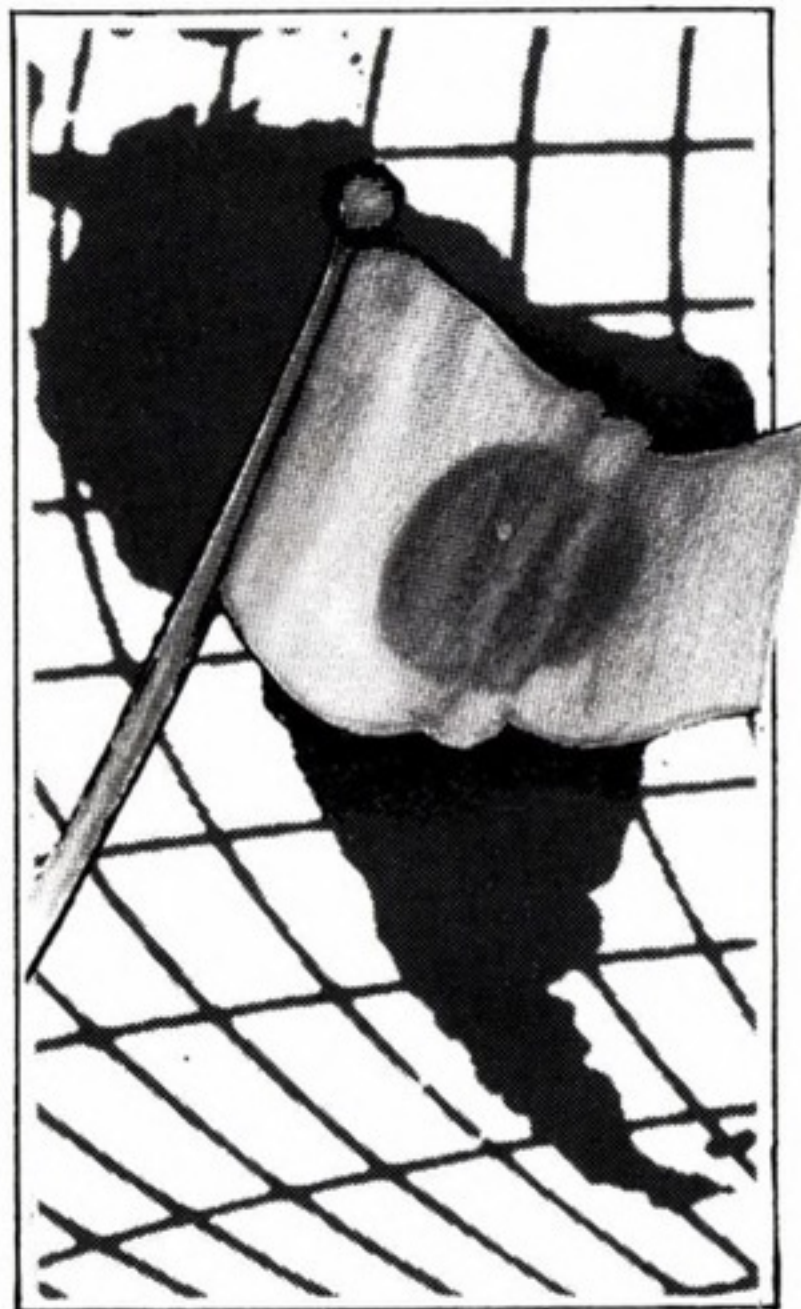
No tourist attraction in the Intifada as seen by a child.

MIGRATION

Japanese on the move

While Brazil is languishing in the grip of stagflation, booming Japan has an acute labour shortage. Nevertheless, Tokyo is reluctant to import non-Japanese workers. So the Japanese migrants to Latin America are flocking back to their ancestral homeland.

Brazil has an estimated 1.2 million ethnic Japanese, most of whom came over 80-odd years ago as contract workers on the sugar and coffee plantations. Most have become very successful – a recent survey showed their average monthly income twice as high as white Brazilians and more than treble that of blacks and browns. But the disasters of Brazil's hyperinflation, soaring crime rate and wholesale shortages have meant that the Japanese Consulate in São Paulo has



been besieged. It is issuing 1,000 passports a month to those who have retained Japanese citizenship and 4,000 visas a month to those who have become Brazilian nationals. All plane seats to Tokyo are fully booked for the next three months.

From Far Eastern Economic Review, Vol 149, No 39 1990

ESPIONAGE

CIA's killing fields

The role played by the CIA and US State Department officials in the 1965-66 bloodbath in Indonesia has just been meticulously documented in stories run in *The Washington Post*, *The Boston Globe* and other quality US daily newspapers. US officials in Jakarta furnished the names of about 5,000 Communist activists to the Indonesian Army and then checked off the names as the army reported that the individuals had been killed or captured. 'They probably killed a lot of people, and I probably have a lot of blood on my hands,' Robert Martens, who had spent two years compiling the lists in the US Embassy in Jakarta, told the investigating journalist. 'But that's not all bad. You have to strike hard at a decisive moment.'

Anything between 250,000 and 500,000 Communists and suspected supporters were murdered following what has been debatably described as 'an abortive coup'.

From The Nation, Vol. 251, No. 2, 1990

ECONOMICS

Ballooning prices

Consumer prices rose a record 86.3 per cent in Third World countries in 1989. Among 22 industrial nations the rise was only 4.5 per cent, up from 3.4 per cent in 1988. Latin American average prices were heavily increased by runaway inflation in two of the region's most important countries: Argentina 3,079 per cent and Brazil 1,287 per cent. That meant Argentinean shoppers were paying roughly 30 times more for the same basket of goods at the end of 1989 than at the beginning of the year.

Associated Press.

ANIMAL RIGHTS

Harrods fur sales

Harrods, the enduring British symbol of superstore affluence, closed its fur department last April after a slump in sales of 40 per cent over the last three years. In fact fur coat buying across the country is down from \$140 million (£80 million) in 1984, to \$19 million (£11 million) in the first half of 1989, according to Department of Trade and Industry figures.

From Agscene, No. 100, 1990

CENTRAL AMERICA

Who will Salvadorean bullets kill tomorrow?

The first human rights agreement in Salvadorean history was signed by the Arena government and the Farabundo Marti Front for National Liberation (the guerrilla forces) on July 26 in Costa Rica, just as two members of the constitutional opposition (the Popular Social Christian Movement) were arrested and tortured by the Salvadorean army. Two days later soldiers fired mortars into a village recently renamed after a murdered Jesuit priest. And on July 30 the disfigured body of 24 year-old Jorge Cruz was discovered by the side of the road.

The general human rights standards outlined in the agreement were meant for immediate implementation. However provisions for proper arrest and the prohibition of torture already exist in the Salvadorean Constitution. This hasn't stopped the armed forces so far. In the first six months of this year alone, according to the Salvadorean Human Rights Commission, the army killed 561 civilians.

From The Nation, Vol. 251, No. 6

ECONOMICS

Dumped drugs

Many of the pharmaceuticals sent to Armenia after the 1988 earthquake were useless, and, in some cases, dangerous. International relief supplied more than 5000 tonnes of drugs and consumable medical supplies, syringes, needles and other equipment. Médecins sans Frontières and the Armenian Ministry of Health made complete inventories of this aid. They had to destroy 20 per cent of the drugs. Eleven per cent were useless and eight per cent had expiry dates before their arrival. Among the useless items were many types of vitamin preparations, nasal sprays and drugs for the treatment of tropical diseases such as malaria and bilharzia. Health workers in the disaster area could use only 30 per cent of the drugs.

From The Lancet, 9 June 1990

BABYFOODS

German Nestlé boycott

A supporter of the boycott, Markus Braum was arrested recently for glueing stickers on about 60 Nestlé products in a supermarket in Wetzlar, Germany. The stickers said 'Nestlé kills babies' and gave Braum's full address. Marcus wanted to call attention to the continued unethical marketing practises of the Swiss babyfood giant. This generated media attention, with television turning up at the court. The judge's ruling was a \$40 fine, based on the modesty of the damage caused and the 'noble intentions' of the defendant.

From Consumer Currents, No. 128

ETHIOPIA

Asmara besieged

Asmara, the capital of Eritrea (province of Ethiopia, or separate state – depending on your viewpoint) has been besieged, cut off from overland supplies for more than 200 days. Food, fuel and water is running out. The garrison of 120,000 soldiers exercises arbitrary powers, with the civilians ultimately being held as hostages. The city contains about 280,000 civilians, plus refugees. The other towns and villages in the enclave contain a further 800,000. *Africa Watch* calls on the Ethiopian government to observe its obligations under international humanitarian law and appeals to both sides for a truce to allow food trucks to bring supplies in to the civilian population, and for refugees to leave the beleaguered enclave.

From News from Africa Watch, Sept. 1990

"endquote"

'America does not seek conflict, nor does it seek to chart the destiny of other nations.'
President Bush

'King Hussein of Jordan went to one of our public schools and then to Sandhurst. Why does he apparently not know right from wrong?'
Letter in the Evening Standard

'The meek may inherit the earth, but not its mineral rights.'
John Paul Getty

A tyranny of tongues

Language is probably the most dangerous of human diseases, says Amorey Gethin. He takes an eloquent swipe at the slavish respect we have for it – and points to the consequences of this esteem.

THE mystique of language has had power for a long time. One important reason is that language has given humans literature and the 'art' of words. These are widely respected. Many believe or feel that 'literature' provides a better guide to reality than life itself. That is bad enough.

This old respect for language has probably prepared the ground well for the new way in which it is admired. People who call themselves scientists now tell us about the marvels of language in a different way. Their science is called linguistics.

It may not make all the old literature-lovers happy. But many others are probably pleased to hear that the medium they revel in is indeed even more profound than they expected.

Linguistics should be opposed for several reasons. One of the main reasons is that linguists encourage the tendency to see language as the fascinating key to human thought and human psychology, the whole human personality. They encourage, that is, the idea that language is basic to our *nature*.

It is not. For thought is not language and cannot be for the simple reason that language cannot arise until there is something for it to express. But, language is *basic* to our *culture*.

How dangerous language can be was emphasised in several places in **NI 191**. But there, as practically everywhere and always, there seemed to be a feeling that language is intrinsically sound. It remains our greatest asset if we can avoid abusing it. Various philosophers have stressed the human dependence on language. Yet none of them, as far as I know, see this as reason for regret.

Some appear to take their reverence for language to the point of confusing it with reality. One form of this confusion is seen in the views of philosophers such as Karl Popper. Popper seems to think that small children become aware of 'self' as opposed to 'selves' through language; they realise they are separate from others at the time they begin to say 'I'.

If he means that a child cannot say 'I' till she is aware of I, he is merely stating an obvious truth that tells us nothing about language. If he means she cannot be aware of 'I' until she speaks it he is patently talking nonsense. 'I' and 'you' cannot be spoken sensibly without understanding first. And there is not much doubt that the cat too knows he is separate from me and from other cats.

Far from being part of our biology, I think it is almost certain that language is an artificial imposition on human thought and experience. Language can never represent the thought and experience properly. It will always be a distorting, false mirror.

Worse – language tends to twist experience and put unclean bonds on thought even before the thought has got freely going. Any faith that language is basically a good thing and can be

made truthful enslaves us the more hopelessly to it.

Language gives names and so a bogus but permanent reality to ideas that give birth to ideologies and fanaticisms of hate. And language gives names and so bogus reality to many of the groups without which the hatreds and fanaticisms and cruelty could not act. Without the names humans would never recognise those fearful unrealities which lead them to commit and excuse savageries *in* those unrealities' names. The unrealities, existing only through words in human minds, would never come into being. Whether the ideology or the group is religious or tribal or political or national or philosophical it could not exist without its name.

Then there are the words 'good' and 'bad'. The problem is not some philosophical uncertainty about their meaning. In practice everybody knows exactly what they mean. They have a terrible absolute meaning and a fearful influence. So long as the words 'good' and 'bad' and many others of the same kind, are there, there will be dispute about the *thing* they should be attached to; there will be intolerance, fanatics, control of minds, war and torture. It is the words' very existence that is the curse. Humans rally round them and use them to egg themselves on, reassure themselves, justify themselves, fortify themselves, or as a basis for pride and arrogance. The tragic irony is that they would need no reassurance if the words were not there to start anxieties and assertions in the first place. The only escape from their tyranny is a distrust of them and all the rest of language.

We need instead to try and think wordlessly about what actually *happens*, about what actual individuals *feel*, *suffer*, and *need*. The sympathy and compassion that are perhaps as natural to humans as fear and cruelty may then be able to overcome the terrible abstractions.

I suggest that language is effectively a human disease. It is probably the most dangerous human disease of all, responsible for a greater part of the divisions between communities and individuals alike that inflict misery on endless millions. Certainly language perpetuates those divisions. It is striking that humans are the only mammals (with the possible exception of the whales) that have language and that no other mammal has caused the world so much suffering. But language is a disease of our own making, like the motor-car. It is

of course far, far more deeply rooted throughout human society. It is far more difficult to deal with, and may seem inescapable. At least we should recognise it for what it is.

Currently based in Italy, Amorey Gethin has been a teacher of foreign languages for 35 years. His latest book is *Anti-Linguistics: A Critical Assessment of Modern Linguistic Theory and Practice*, published by Intellect (Oxford), 1990.





★ FILM

Karate Kids

directed by Derek Lamb

You're not going to see this one at your local Bijou nor are you likely to pick it up at the corner video store. **Karate Kids** is a 22-minute AIDS education cartoon aimed at Third World street kids. Produced by Canada's National Film Board and the Toronto-based Street Kids International, in consultation with the World Health Organization and UNICEF, the video is already being used by health educators and street workers in Kenya, Ethiopia, Egypt, the Philippines and more than two dozen other countries.

And it is easy to see why. This is a courageous and inventive bit of film-making, building on the potential of video as a democratic medium for grassroots education. The film is technically impressive (Academy Award-winning animator Derek Lamb directs) but more admirably it zeroes in on kids' interests without patronizing them.

The cartoon features a gang of street children who hang out in the town market – begging, stealing, doing odd jobs and just horsing around. The market setting is purposely generic – it could be Khartoum, Bangkok or Recife. And the kids themselves are a mix of black, brown and yellow. To refine the final video an early version of the cartoon was screened for children from five different countries. The results were encouraging and their suggestions practical. (For example, the young critics suggested the cartoon kids should be barefoot since street kids can't afford shoes.)

The story focusses on Mario and Pedro, two kids who are having a tough time scraping

together enough money to live on. Mario is tempted by 'the smiling man with the black car' to sell sex for hard cash. But the streetwise Karate Hero intervenes and warns the boys against the danger of AIDS: 'Anyone can get AIDS from sex: we must all protect ourselves and our friends'. The language used is direct ('That man wanted to fuck you,' Karate warns the boys) and the lessons clear: people with AIDS need our help and support; condoms can protect us from the HIV virus.

Along the way there are tears, laughs, harrowing chase scenes, infectious Afrobeat music – and the villain even gets his comeuppance in the end. The video is part of an education package which includes a pocket-size **Karate Kids** comic book and a 'What we need to know about AIDS' guide for educators. The material is available in Portuguese, French, Spanish and English, and Street Kids International will help translate and adapt the material. Though conceived for Third World kids the video has also been used with inner-city kids in Washington and New York and with Canadian Indian children.

Politics ★★★★★
Entertainment ★★☆☆

Available from: **Karate Kids**, 56 The Esplanade, Suite 202, Toronto M5E 1A7, Canada.

★ BOOKS

Bananas, Beaches and Bases

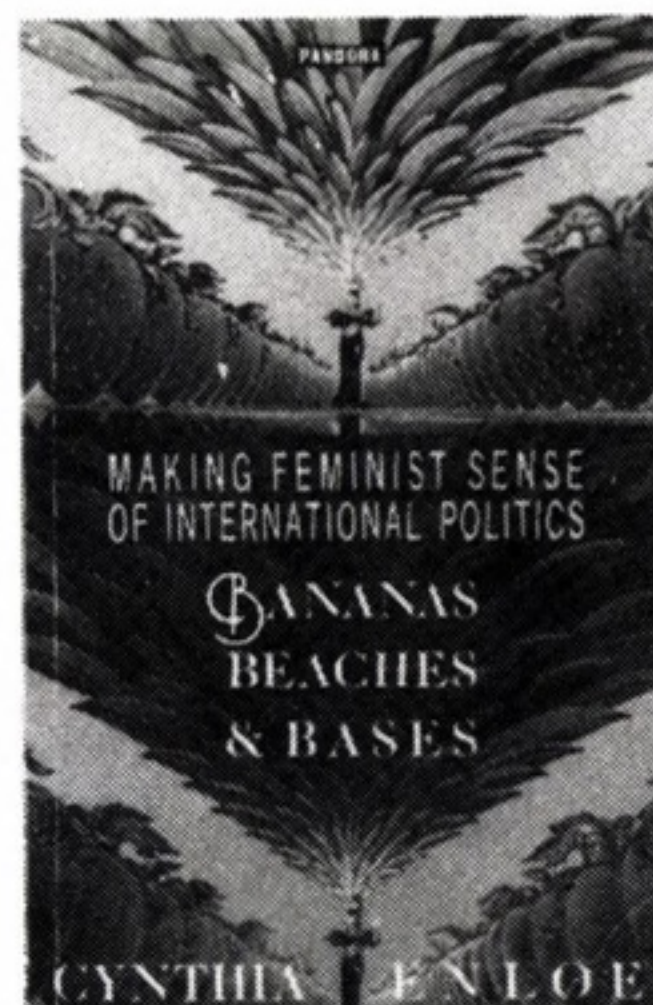
by Cynthia Enloe (*Pandora*)

In the 1940s Carmen Miranda sang and danced her way to success beneath exotic head-dresses festooned with leaves,

flowers, fruits and berries. This bizarre get-up helped slot Latin American women into a caricature of fruit-bearing flamboyance in the US mind. Carmen Miranda's image was deliberately used as a vehicle to help consolidate a commercial *ménage à trois* between the Brazilian singer, the US-Latin American 'good neighbour' policy and the banana.

It is this kind of intriguing connection which makes Cynthia Enloe's book so novel and fascinating. The subtitle is 'Making Feminist Sense of International Politics', and those very words make you realize how little we are used to seeing feminist analysis applied to the ebbs and flows of global power. We are used to bursts of solidarity with, say, African women farmers, with women suffering genital mutilation or with women confined to their homes in some Islamic societies. And we have latterly seen a feminist perspective informing the debate about nuclear weapons.

But while we might note that international politics is conducted almost entirely by



men, we are not usually aware of gender as we analyse it. Enloe sets out to prove not only that 'the personal is political' but also that 'the international is personal'. Governments depend on a network of unacknowledged female support to survive. 'If we can expose their dependence on feminizing women,' she says, we can show that this world system is also dependent on artificial notions of masculinity: this seemingly overwhelming world system may be more fragile and open to radical change than we have been led to imagine.

The book is consistently thought-provoking and written with one eye firmly fixed on the reader's attention span: each chapter has a different theme and has numerous subsections, each with its own headline. But while this makes the book accessible it is also an admission of weakness: instead of in-depth analysis it offers a

series of snapshots – of the tourist industry; of military bases and the women that serve them; of diplomatic wives and so on.

Nevertheless this is, as she says, a way of thinking about international politics which is still more or less in its infancy. And **Bananas, Beaches and Bases** at least takes those vital first few steps.

Politics ★★★★★
Entertainment ★☆☆

★ MUSIC

The Domino Club by The Men They Couldn't Hang (*Silverstone Ore*)

Vanilla by Blowzabella (*Special Delivery*)

Two very English albums. The Men They Couldn't Hang are, as usual, refreshingly unafraid to delve amongst the dregs of modern-day Britain and lambast its morality (or lack of it). *The Lion and the Unicorn*, for instance, sees the spirit of the Blitz as living on in London's army of homeless people. The lion is caged and the unicorn extinct in the land we made and the land we betrayed – what price patriotism now? The sincerity is deep and bitter, the examples almost too close for comfort.

The England of The Men They Couldn't Hang is one where old ways of life are being destroyed and where the Thatcherite ideology of the family is construed as a mafia nightmare world of violence, distrust and revenge. And, as if subverting the tradition of the John Bull patriotic ditty, this comes couched in a relaxed, singalong style which lures you into a false sense of security and then attacks with a biting message. Yet somehow at the end of it all there is still an optimism as the beat moves inexorably through defeat and depression to affirm a spirit still strong and thriving.

Politics ★★★★★
Entertainment ★☆☆

Blowzabella have always been considered more traditionally folksy, though this, their ninth album, is something of a departure, melding strong traditional English dance rhythms and experimental jazz. Each track builds to a giddy crescendo of sound that is unmistakably Blowzabella. You wind up with an invigorating blend of brass, hurdy gurdy, melodeon, bagpipes and strings

which it feels an honour to dance to.

The only pity is that while the band are so admirably proficient at reworking their cultural musical past into more modern rhythms, they seem unable to take up the same challenge on the lyrical front – as in Solveig's Song, about a woman who will wait forever for her man. But overall this music has a cultural authority which is all too rarely evident in English music today. Spiritually exhilarating and imperatively danceable.

Politics ☆☆

Entertainment ☆☆☆☆

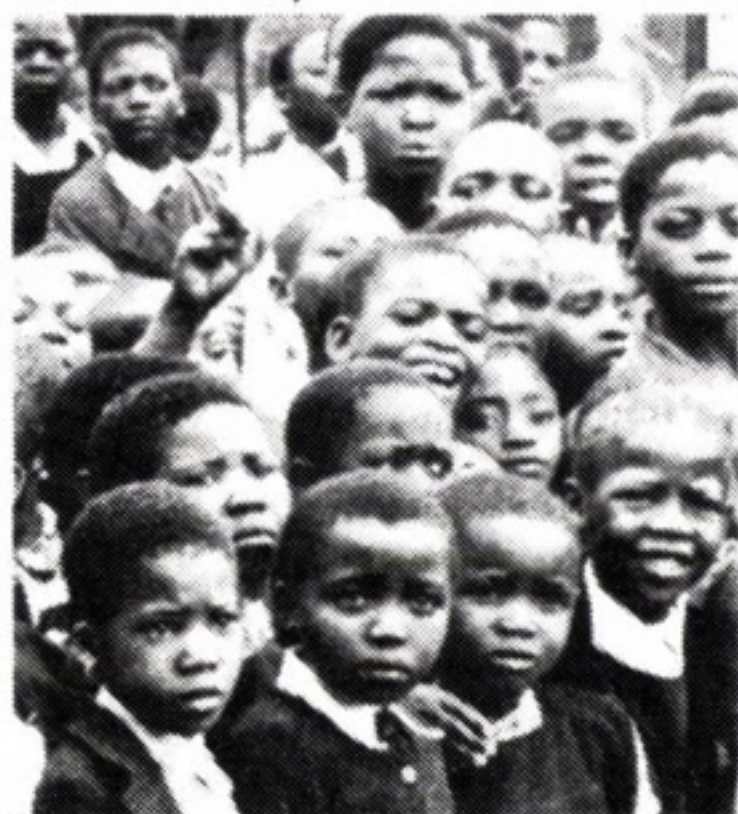
★ STAR RATING

Excellent	☆☆☆☆
Very good	☆☆☆☆
Good	☆☆☆
Fair	☆☆
Poor	☆

Reviews editor: Chris Brazier

NI BOOK OF THE YEAR

Colours of a New Day by various artists (Lawrence & Wishart UK, Pantheon US)



Rather more uneven than you might expect a Book of the Year to be but that's part of the nature of the beast. This is the literary equivalent of the Free Mandela concert, a collection of prose and poetry by 34 writers who have pledged their profits to an ANC cultural project. A kaleidoscopic and unpredictable contribution to the cause.

NI RECORD OF THE YEAR

Turn Things Upside Down by The Happy End (Cooking Vinyl)

Rich in both texture and text, this resuscitates the big band format of the 1940s and applies it to modern agit-pop. Rooted in and redolent of a struggling socialist past it also takes in the key causes of today – and dresses them up in music that is imaginative, intelligent and exuberant. Enjoy.



NI FILM OF THE YEAR

Yaaba by Idrissa Ouedraogo



The movie that confirmed Burkina Faso as the epicentre of African film-making – an amazing achievement for one of the world's poorest countries. A deliberately timeless, mythic tale of a boy's relationship with an old woman who has been cast out by his village, **Yaaba** reaches beyond modern liberal reality into that world of primary emotions which is the stuff of childhood.

CLASSIC

Ulysses

...being the book that revolutionized the novel

JAMES Joyce was once approached by an effusive professor who said: 'I want to shake the hand that wrote **Ulysses**'. Joyce replied: 'Just remember it's done a lot of other things too'.

But Joyce admitted he would have only himself to blame if his book was colonized by academia. And when I was a boy I'd take it down from the shelf and open a page only to be totally banjaxed by fragments of songs, bits of other languages, lists, obscure references and that famous stream of consciousness. Idiosyncrasies abound: for example from the early *Dubliners* he had abjured 'perverted commas' in favour of French-style punctuation.

But after seeing Joseph Strick's film version of **Ulysses** I tried again. It helped having been brought up a Catholic, having studied literature and having a mother who could explain the Dublin background. But I still had to constantly refer to books about it (and I still haven't got through *Finnegan's Wake*, Joyce's most extreme and impenetrable work).

If Joyce is 'difficult' in style, he is equally uncompromising about blowing away polite reticences. His early short stories scandalized the printers. He was asked to tone down one of his *Dubliners* asides about King Edward VII being kept from the throne by 'his old mother'. Was 'old mother' quite respectful enough to the late revered Queen Victoria? Joyce duly amended it to 'his bloody old bitch of a mother'.

Ulysses is an immensely detailed, often sordid, account of the wanderings of certain middle-class Dubliners around their city on 16 June 1904 – principally Leopold Bloom, a Jewish small businessperson, and Stephen Dedalus, a clever but pretentious young teacher. Joyce laboured for years on it, amassing and checking facts and then drawing them all into various symbolic patterns, above all that of the wanderings and ordeals of Homer's Odysseus (whose Roman name was Ulysses).

Take one episode, narrated by an anonymous Dubliner in characteristic racy style. Bloom enters a pub (lots of action takes place in pubs) and, politely declining a drink, accepts a cigar instead. The Citizen, a nationalist, mutters interminably about foreigners and strangers, in spite of attempts to change the subject; Bloom in turn defends himself and his race, jabbing his cigar in emphasis. But when he is suspected of real unIrish treachery – not standing everyone a drink when he is thought (wrongly) to have successfully backed an

outsider in the Gold Cup horse race – the Citizen explodes, throwing the nearest weapon (a biscuit tin) after Bloom as he escapes.

When you've finished laughing the cleverness hits you – the Citizen is the one-eyed giant Cyclops from whom Ulysses escaped by jabbing his eye with a burning stake. The tunnel vision and terrorism that still bedevil Ireland are fought by Ulysses-Bloom as he jabs his cigar at his tormentor: 'But it's no use, says he. Force, hatred, history, all that. That's not life for men and women, insult and hatred. And everybody knows that it's the very opposite of that that is really life... Love.'

The Homeric parallel is only one of the ironic devices. All sorts of others are deployed including one he had already used strikingly at the beginning of his first novel *A Portrait of the Artist*: matching the style of the narrative to the person or subject temporarily in the foreground. As a Modernist, he wanted his reader to develop an awareness of the framing device, to make this 'visible'. He generally carries off this technique with aplomb, though imitators have not always been so successful, while the academics have dully fossilized strategy into dogma, reducing all substance to style or structure.

Joyce's point is worth thinking about. Have you noticed, for instance, how the framing device above these Classic reviews '...being the book that...' conditions you – and the writer? It catches your attention, but does it risk pigeonholing (sometimes absurdly) a complex work of art as a rung on some great historical ladder of political enlightenment?

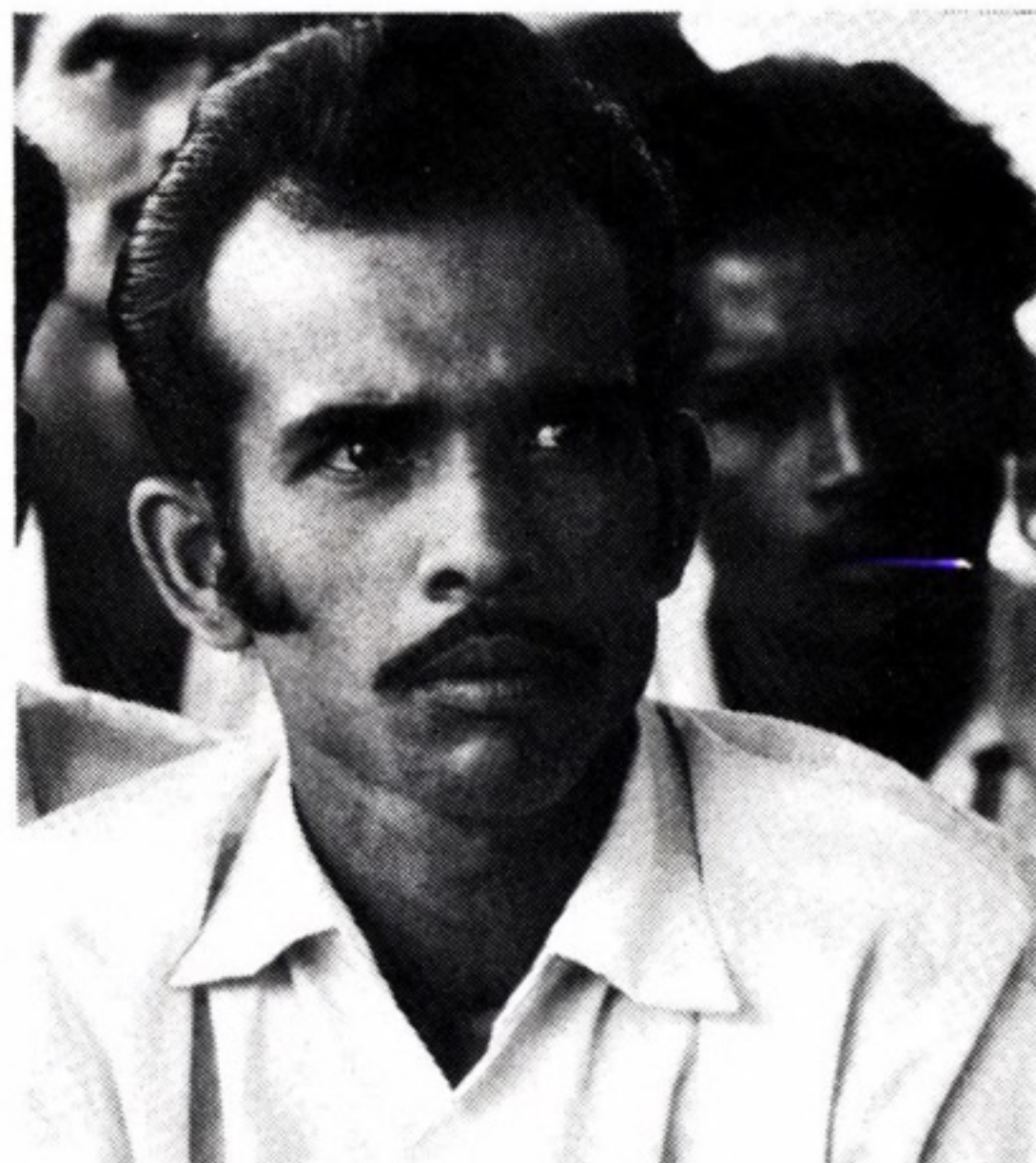
Ulysses-Joyce clearly foresaw the dangers lurking in the one-eyed warrior's lair. For his intellectual, Stephen, the only answer was flight: 'Silence, Exile, and Cunning'. Sure enough, the new Irish Free State set up a Censorship Board which imposed a ruthless cultural isolationism and ensured that many Irish people were kept in an intellectual deep freeze. And the Cyclops seem on the march: religious ones (the *Satanic Verses* case); right-wing Cyclops (the British Government's ban on promoting homosexuality and its censorship of Sinn Féin interviews); and left-wing varieties like Britain's splendidly Orwellian 'Campaign Against Pornography and Censorship'.

Joyce himself never, unlike Odysseus, returned home. He wandered round darkening Europe, his own eyesight worsening. His growing eminence ensured the bans on his books in the US and Britain were eventually lifted. But he had his own Ireland with him in the shape of his fiercely loyal wife Nora, whom he celebrated in the tremendous punctuationless passage that ends his epic. She once confessed she'd never read **Ulysses**. 'O rocks,' Molly tells Bloom, 'tell us in plain words.' **Ulysses** did.

Jacob O'Callaghan

Ulysses by James Joyce (first published in full 1922).

Sri Lanka



JVP, was strong only last year but is now almost defunct. Muslims, Tamils and Sinhalese continue to bludgeon each other in the east of the country.

Foreign tourists still come, and the Colombo casinos are busy. As in many other capital cities, Mercedes purr along the streets and whisky slips down the throats of the wealthy. Away from the bright lights, there is a gloomier picture.

Despite the Government's attempts – such as the 'Jansaviya' (People's Strength) Poverty Alleviation Programme (PAP) – people, especially children, are growing increasingly hungry. Last year's political chaos and numerous allegations against the Government totally disrupted the economy. Nevertheless foreign investment continues to flow into the country.

The restructured policies of the Premadasa Administration have increased the confidence of donor agencies and foreign investors – especially Japan. But the renewed fighting has thrown everything into the balance once again.

This time there is the additional problem of the Gulf Crisis. Some 100,000 Sri Lankans are coming back from Kuwait, looking for jobs that are scarce. The loss of their remittances will be a blow to the economy, already quaking from the continuing conflict. In addition, sanctions against Iraq mean that Sri Lanka has lost over a quarter of its tea exports.

Some say that the difference between the former President Jayawardene and current leader Premadasa is that the former hails from the upper-crust society of Colombo, while the present incumbent has emerged from the people's classes. And that is why he was called the Messiah of the Masses. But maybe no more.

N. Jayasuriya

Leader President Ranasinghe Premadasa
Economy GNP per capita \$400 (US \$18,530)
Main exports: textiles and clothing, tea, rubber, coconut, gems, petroleum products.

Main imports: petroleum, capital goods, fertilisers and chemicals, food and mineral products. Sri Lanka is one of the main tourist destinations in the near East and Colombo is second only to Singapore as a regional transshipment port. The Mahaweli hydroelectric and irrigation programme provides energy and waters the country's dry zone. Large tea, rubber and coconut plantations; smaller holdings grow rice, sugarcane, cassava, soyabeans, cashew nuts, castor, spices and cocoa. Sri Lanka is now self-sufficient in rice.

People 16.8 million

Health Infant mortality 32 per 1,000 live births (US 10 per 1,000)

Culture Roughly three-quarters of the population are Sinhalese, about 20 per cent are Tamils and the rest Malays and Burghers (descendants of the Dutch).

Religion: Sinhalese are mainly Theravada Buddhists and Tamils are Hindu, Malays/Moors are Muslim. Some Christians also.

Languages: Sinhala, Tamil and English.

Sources: Asia and Pacific Review 1990; State of the World's Children 1990

Last profiled in November 1980

MARCO Polo called it 'undoubtedly the finest island of its size in the world', and travellers and traders from Rome, China, India, Abyssinia, Arabia and Europe have for over 2,000 years remarked on its beauty and wealth. Today Ceylon is known by its ancient name of Sri Lanka – 'resplendent isle' – and it is a place of great natural beauty. With its palm-fringed beaches and fertile coastal plains climbing to a lush mountainous interior, Sri Lanka is firmly on the tourist map offering aromatic teas, spices, gems and handcrafts.

Financially, too, Sri Lanka has been attractive. For the last 13 years it has been the number-one centre for off-shore capital in the Near East. It is also well-sited for time-zone operations – being two hours behind Singapore and two hours ahead of Bahrain.

But the years of war have made investors and inhabitants nervous. In the North, thousands of Tamils are still being killed as the army tries to gain control. The Sinhalese guerilla movement, the

At a glance



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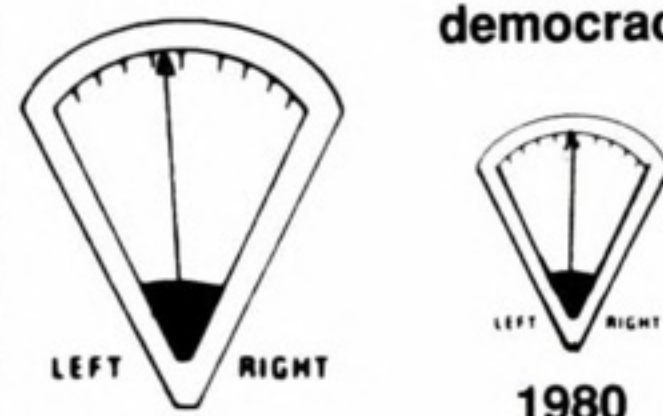


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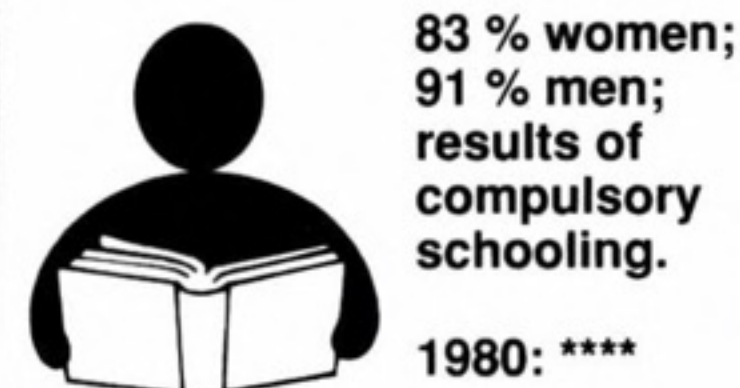


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BEASTLY BUSINESS – How humans use animals

Some animals we choose to love and have as pets. Others we eat – having subjected them to short lives of misery in factory farms. Or we use them as tools in painful scientific experiments. Why do we cause this suffering? Does it matter? And do we have the right to do it? Next month's **NI** looks at animal rights – and possibly the most radical revolution yet. **Stories include:**

- **Why so cruel** – a psychologist looks at the roots of cruelty.
- **Going to the zoo** – watching humans watching animals.
- **Sex, beauty and the beast** – a feminist perspective
- **Monsters in the making** – genetic engineering runs riot.
- **Meat** – how the Third World is being conned.
- **Altruists or terrorists?** – focus on animal liberation.

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A TRIBUTE TO JOAN WRIGHT

Joan Wright, who was killed in a motor accident in Namibia on October 13th, personified the qualities which have earned Oxfam's overseas work its worldwide reputation for integrity and commitment.



Born and educated in Glasgow, Joan's entrée to the aid and development world came through the experience of teaching in Thailand in the early 1970s. She was recruited by Oxfam to be an organiser in their Edinburgh office, and was later invited to join the Education Department in Oxford. For eight years Joan was a leading light in development education work in the UK. She played a key role in the development and growth of the network of local Development Education Centres which bring global issues into the classroom and the community.

When Joan moved in 1985 to work with Oxfam's Overseas Division, she retained her commitment to the importance of increasing public awareness in Britain. Perhaps it was her Scottish roots that encouraged her in the strong belief that if you troubled to explain to people, for example, the link between apartheid and poverty, they would come to understand social injustices.

In the best Oxfam tradition her way was never to tell people how to direct their projects but to support poor people in their own efforts to work together. Specifically she brought to overseas-aid work a special interest in the issues of women's needs. With her unfailing good humour and rare ability to win round doubters, she was instrumental in proving that a commitment to equal opportunities at home were consistent with the demands of a major international charity.

Tributes to Joan have been pouring in from all over Southern Africa and memorial services have been held in Oxford, Windhoek, Cape Town and Johannesburg; a Memorial Fund has been established.

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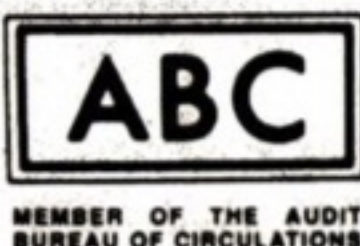
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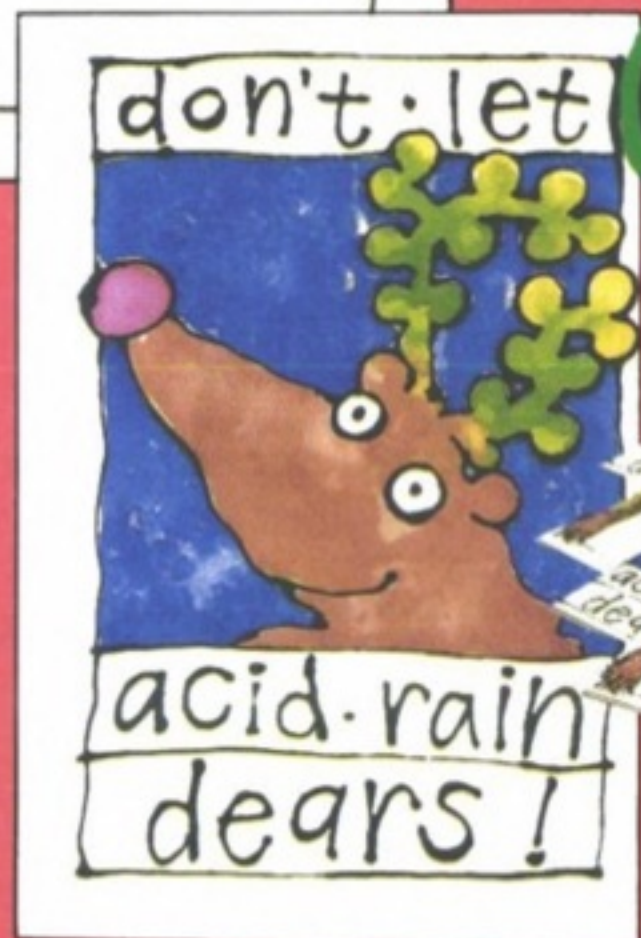
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